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# USSR Report

INTERNATIONAL AFFAIRS

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28 APRIL 1986

## USSR REPORT

# INTERNATIONAL AFFAIRS

### CONTENTS

#### SOCIALIST COMMUNITY AND CEMA AFFAIRS

- Review of Book on CEMA Consumer Goods  
(M. Zakalinskiy; EKONOMICHESKIYE NAUKI, No 1, Jan 86) ..... 1

#### THIRD WORLD ISSUES

- Angolan Second MPLA Congress Noted  
(ASIA AND AFRICA TODAY, No 1, Jan-Feb 86) ..... 7
- USSR's Role in Liberating Korea After WWII Praised  
(Georgy Plotnikov; ASIA AND AFRICA TODAY, No 1, Jan-Feb 86) 9
- Growth of Soviet-Indian Friendship Positively Evaluated  
(Anvar Sarvarov; ASIA AND AFRICA TODAY, No 1, Jan-Feb 86) 16
- Development of Zimbabwe, Relations With USSR Described  
(Anatoly Zhigunov, Igor Nikolayevsky; ASIA AND AFRICA TODAY,  
No 1, Jan-Feb 86) ..... 21
- British Anti-Apartheid Acitivist Hits U.S. Stand on Namibia  
(Robert Hughes; ASIA AND AFRICA TODAY, No 1, Jan-Feb 86) 29
- Togolese Delegation Head Interviewed During USSR Visit  
(Messan Locoh-Donou Interview; ASIA AND AFRICA TODAY, No 1,  
Jan-Feb 86) ..... 31
- Some Trends in Socio-Economic Development  
(Vera Burenina; ASIA AND AFRICA TODAY, No 1, Jan-Feb 86) 33
- Malaysia's Socioeconomic Problems Noted, Solutions Suggested  
(Dmitry Kosyrev; ASIA AND AFRICA TODAY, No 1, Jan-Feb 86) 39

Book Urges African Countries' Control Over Own Resources (Ruben Andreasyan; ASIA AND AFRICA TODAY, No 1, Jan-Feb 86)	45
<b>WESTERN EUROPE</b>	
Continued Attacks on West German 'Slander' About Afghanistan (V. Ostrovskiy; SOVETSKAYA ESTONIYA, 27 Sep 85)	47
Italian TU Leader on USSR Ties (Antonio Pizzinato Interview; TRUD, 13 Mar 86)	49
<b>EASTERN EUROPE</b>	
Polish Official Views Scientific Links With USSR (Z. Szalajda; PRAVDA, 11 Mar 86)	50
Briefs	
Trade With CSSR	54
<b>LATIN AMERICA AND CARIBBEAN</b>	
Review of the Journal LATINSKAYA AMERIKA No 11, 1985 (APN DAILY REVIEW; 26 Nov 85)	55
Table of Contents: LATINSKAYA AMERIKA No 11, 1985 (LATINSKAYA AMERIKA, No 11, Nov 85)	58
Contradictions in Mexico-U.S. Economic Relations Examined (A. N. Valuyev; LATINSKAYA AMERIKA, No 11, Nov 85)	60
Little Success Seen in Latin American Administrative Reforms (V. M. Kulistikov; LATINSKAYA AMERIKA, No 11, Nov 85)	70
British Book on Caribbean Economic, Political Crisis Reviewed (V. P. Sudarev; LATINSKAYA AMERIKA, No 11, Nov 85)	80
<b>CHINA/FAR EAST/PACIFIC</b>	
Moscow School for Training Chinese Cadres Recalled (A.V. Pantsov; VOPROSY ISTORII KPSS, No 12, Dec 85)	82
<b>MIDDLE EAST/NORTH AFRICA/SOUTH ASIA</b>	
Soviet Writer Predicts Good Resolutions for Local Problems (Pavel Demchenko Interview; AL-SABAH, 24 Feb 86)	86
Arab Economic Cooperation Discussed With Soviet Official (Yevgeniy Osadchuk Interview; AL-SABAH, 24 Feb 86)	89
<b>SUB-SAHARAN AFRICA</b>	
U.S. 'Anti-Ethiopian' Attitude, Activities Criticized (Georgiy Tanov; Moscow International Service, 20 Mar 86)	92

SOCIALIST COMMUNITY AND CEMA AFFAIRS

REVIEW OF BOOK ON CEMA CONSUMER GOODS

Moscow EKONOMICHESKIYE NAUKI in Russian No 1, Jan 86 pp 109-112

[Review by M. Zakalinskiy, professor, dr. econ. sci., and S. Ivashkovskiy, docent, cand. econ. sci., of book "Lichnoye potrebleniye v usloviyakh ekonomicheskoy integratsii stran-chlenov SEV" [Personal Consumption in Conditions of Economic Integration of CEMA Member Nations], by Ye. L. Bondarenko, Moscow University Press, Moscow, 1984, 112 pages; edited by Ye.A. Klepova]

[Text] The characteristic feature of the present stage of development of the world socialist economy is--the strengthening of the process of internationalization at all stages of social reproduction: production, distribution, exchange and consumption. Many aspects of this problem (primarily the internationalization of production) have been described in some detail both in Soviet economic literature, and in publications by scholars from other socialist countries. As concerns the other phases of reproduction, and especially the decisive phase--consumption--from the point of view of internalization, these have clearly not been sufficiently studied. Therefore the monograph under review is interesting if only because the author strives to fill up a certain gap in economic research, having set himself the task, as it says in the foreword, "to disclose the international aspects of personal consumption in conditions of the development of productive relationships among the socialist countries at the stage of their integration" (p 5).

In the first of the three chapters of the work the position and significance of personal consumption in the system of socialist productive relationships is defined. The essential features of personal consumption as a process, as a link in socialist expanded reproduction of manpower is disclosed in the monograph through the prism of the categories of "personal needs" and "interests" under socialism. Such an approach provides, in our view, a proper methodological key to disclosing the dialectical link between production and consumption. The fact of the matter is that the connection which exists between production and consumption is discovered only in the final analysis. And the latter is brought about directly by the needs, which inevitably serve as the connecting link between production and consumption. The needs themselves are imparted to production, the results of which are absorbed by consumption, and provide the necessary impulse to development. The needs, however (and Ye.L. Bondarenko speaks convincingly of this), do not spring up in a vacuum, out of nothing. Most often they

originate directly from production, which plays the determining role both in the formulation of specific needs, and in their realization--in consumption. Incidentally, it is noted in the work that the preeminence of production in this dialectical interconnection does not at all signify that needs are a function of production alone, that they are devoid of a subjective side. Ye.L. Bondarenko, citing numerous quotations from the classics of Marxism-Leninism, points out that the objective stipulation of needs does not reduce them solely to the category of existence, which has nothing in common with the consciousness of man. On the contrary, possessing an objective essence, needs are inseparably connected with the consciousness of man and also bear an element of the subjective and the ideal (See p 8).

A proper understanding of the essence of needs permitted the author to find on the whole a correct approach to defining the category of economic interest. "Interests," writes Ye.L. Bondarenko, "are the people's definite needs, released through their consciousness, which formulate the production goals appropriate to them" (p 12). Unfortunately, the author did not make the logical conclusion from this, that interests thus are an economic category which is more concrete in comparison with needs. In real life it is the interests themselves which transform needs into an operating factor and act as the direct motive force for production. In our opinion the categories examined are part of the following cause-and-effect link in the operation of socialist productive relationships: the economic laws (objective conditions of the people's lives)--needs--economic interests--and the people's economic activities directed at achieving the goals of socialist production. Proceeding from this point, we trace the position of the author in accordance with which needs and the interests which correspond to them, expressing the motive, the main direction of the movement of production, are the determining features in the basic economic law of socialism. Also worthy of attention is the stipulation that Ye.L. Bondarenko, not limiting himself to merely disclosing the functional dependence among needs, interests and the goal of production, demonstrates that it is namely the personal (and not the production) needs which express the driving purpose of socialist production. The monograph points out that in and of themselves social production needs do not reflect the driving purpose of society, but act merely as the means with the aid of which the people's personal needs are realized in the name of providing for the total welfare and the free, all-round development of all members of society (See p 15).

The author properly stresses that the all-round development of all members of society presupposes the necessity of consistently balancing the levels and structure of consumption of social groups and individual persons along with an overall increase in the well-being of the working masses. Thus, the driving purpose of socialist production is characterized not only by the growth of personal consumption, but also by the simultaneously occurring process of socio-economic leveling (See p 16).

This conclusion, in our view, has important theoretical and methodological significance, making concrete the essence and the content of the basic economic law of the communist method of production. This conclusion is extremely important also from the practical point of view, inasmuch as it provides the necessary guidelines for planned determination of national economic proportions.

Taking into consideration the views set forth, Ye.L. Bondarenko invites the readers' attention to an analysis of the relationships of distribution according to labor in the socialist countries at the contemporary stage. The book cites interesting data on the increase of the minimum wage in the CEMA member nations in the last decade, and the increase in average monthly wages for the years 1960-1981 (See p 24). These data testify of the uninterrupted increase in personal consumption and the growth of the people's well-being. Inasmuch as the level of personal consumption, as is well known, "is determined not so much by the average wage level, as by the average income per member of the family" (p 25), the author reasonably considers that in the course of the consistent development of distributive relationships there must be an even "closer tie-in of minimum wages with minimum income per family member, which will make it possible to purposefully orient social consumption funds toward increasing the level of personal consumption of families with low incomes" (Ibid.).

I would like to single out one more problem examined in the given chapter. The author stresses that increased attention toward the growth of personal income at the contemporary stage urgently dictates the necessity of carrying out purposeful work in society for cultivating among the people the needs and aesthetic tastes appropriate to a policy for the harmonious development of the individual. Pointing out that this question was given special attention at the 25th and 26th CPSU Congresses, as well as at the latest congresses of the fraternal communist and workers' parties, Y.L. Bondarenko comes to the conclusion that the problem of managing consumption is becoming more and more an international problem, and this "requires the united efforts of the countries both in scientific research on the given problem (working out national consumption norms, their unification in statistics and so on), and in a purposeful, comprehensive policy for realizing the personal needs of the populace" (p 31). The book also takes note of the fact that in many countries the problem of formulating and developing consumption is included in the state plan for scientific research; a system of indicators for rational consumption has been worked out; and various means of psychological influence on regulating consumption are employed (press, radio, TV, and advertising). Also actively used is the price mechanism, with the help of which the solvent demand of the populace is rationalized. However, as the author justly states, "With all the significance of the retail price policy in the matter of regulating solvent demand, one cannot but recognize all the social dangers in production of goods which by their cost (and price) cannot be luxury articles even for the highly-paid categories of the populace. Production of goods which do not coincide with the socialist way of life from an aesthetic point of view deals a serious blow to the nurturing and the all-round development of the peoples' needs; moreover, the production of goods which are beyond the limits of the maximum level of the workers' income can undermine even the most well-thought out comprehensive program for the satisfaction of growing needs under socialism" (p 32).

The second chapter of the monograph is dedicated to the problem of the internationalization of personal consumption in conditions of the economic integration of the countries of the socialist commonwealth. The author shows that the sphere of international production relationships has an ever-increasing influence on the socio-economic processes in certain countries.

Including this sphere in the research permits us to see those features of personal consumption which cannot be fully revealed when examining it from the position of national productive relationships alone. The book brings out the international essence of personal consumption under socialism. In the author's opinion, it is determined principally by the fact that the "satisfaction of personal needs in the name of the all-round development of the individual is the overall goal which directs the development of production of every socialist country" (p 35). This unity of goals also formulates the unity of means of its achievement, which is expressed in the ever more profound development of specialization and production cooperation among the countries, actively involving the national economic complexes in the process of economic integration. From a politico-economic point of view this signifies the development and improvement of international socialist production relationships, and intensification of international forms for manifesting the economic laws of socialism and primarily the basic economic law. The operation of the latter signifies, in particular, the necessity for joint resolution by the commonwealth countries of such important problems as the formulation of the sensible needs of the people, the quantitative parameters of a rational standard of living, and in the final analysis working out the scientific basis for a model of the socialist way of life (See p 37). Unfortunately, it must be pointed out that the author did not make use of all possibilities by far to examine this problem more thoroughly. For example, the reader is not provided the necessary information on what is being done today in the socialist countries in the given direction, and what kind of difficulties are encountered in this.

The monograph contains a great deal of factual and statistical material on international specialization and cooperation in production among the CEMA member nations, in scientific-technical cooperation, and in developing direct ties among the ministries, associations and enterprises in the fraternal countries for the purpose of carrying out agreements concluded and DTsPS [possibly Central Consumer Societies Contracts] in the area of production of consumer goods, as well as the realization of the USSR's Food Program (See pp 52-66). At the same time, many of the examples cited in this chapter do not, in our view, directly relate to the topic of the research and characterize more so the process of internationalization of production and not personal consumption (See pp 38-51). Nor does the work show to the proper extent the influence of the development of the economic mechanism of the foreign economic associations of the CEMA nations on the growth of personal consumption of the workers (although this should be the topic of one of the paragraphs, judging by its title).

In our view, the most interesting part of the monograph is its third chapter, which is dedicated to an analysis of the equalization of the levels of personal consumption in the CEMA member nations, which is a logical conclusion of the research undertaken. The growth of the well-being and the all-round development of the individual and the equalization of the conditions for consumption as the leading regularity and the highest goal of production under socialism determines the essence of not only the national, but also the international socialist productive relationships.



The analysis begins with an examination of the dialectic of the unity of the two sides of the process of equalization at the stage of integration--the technical-economic and the socio-economic; it is pointed out that the objective necessity of equalizing the levels of the social development of the countries is more and more coming to the forefront. The author notes that the peculiarity of the given stage of equalization of the levels of technical-economic development in comparison with the preceding periods consists of the fact that it is not receiving concrete expression in the socio-economic directivity which provides for the achievement by the countries of the highest goal in the development of a socialist society" (p 76). In this connection one cannot but agree with the critical conception provided in the book, according to which first place in the system of indicators for equalization must go to the indicators for development of production. "In and of themselves the technical-economic indicators of production," stresses the author, "do not yet speak of the degree to which all the different kinds of needs of the working masses are satisfied; that is, how are the development and convergence of the nations accomplished in accordance with their main criterion" (p 79). In the opinion of Ye.L. Bondarenko, for the characteristics of the process of equalization, "the final, determining indicators will be the indicators of the material and cultural well-being, and the all-round development of the individual" (p 78).

Among the indicators which characterize the highest goal of the development of society, which may be utilized for an analysis of the equalization of the levels of socio-economic development of the countries, the author cites the volume of national income and the per capita consumption fund, real incomes and their structure, social consumption funds and their proportion in the family income, and so on (See pp 80-82). One must agree with the fact that at the contemporary stage, as the book notes, the indicator of the amount of free time and the structure of its use is becoming exceptionally significant. As is well known, Karl Marx considered free time as the most important measure of wealth in the new society.\* Free time, stresses the author, is becoming true wealth, because it "is manifested as distinguished from work time not in products of labor, but in the development of a person's capabilities, and in the increase of his productive force" (p 84).

The book cites interesting material which characterizes personal consumption in the CEMA member nations and the process of their socio-economic convergence (See pp 87-100). Over the past 30 years real income calculated on a per-capita basis in these countries has increased on the whole by a factor of 4.6 (See p 89). Here the author also cites with appropriate commentaries interesting data on the growth of consumption by the workers in the socialist countries of basic foodstuffs, manufactured goods, in providing housing to the populace of the CEMA member nations, and so on. All of these data, as is shown in the concluding portion of the book, sharply contrast with the inequality of socio-economic development both within certain

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\* K. Marx, F. Engels, "Sochinenie" [Works], Second Ed., Vol 46, Part II, p 217.

bourgeois countries and in the entire world capitalist economy as well. The general law-governed nature of the equalization of living conditions of the peoples of the fraternal nations, displayed in all its fullness, is a reflection of the essence of the new type of productive relationships--relationships of comradely cooperation and fraternal mutual aid.

Of course it is not possible to describe everything contained in the small but weighty book of Ye.L. Bondarenko in a brief review. One can merely recommend that the book be read, and primarily by those who are interested in problems of the political economics of socialism and the specific practices of management in the fraternal socialist countries. Although not all questions were completely illuminated in the monograph, it has achieved and deserves a high rating.

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THIRD WORLD ISSUES

ANGOLAN SECOND MPLA CONGRESS NOTED

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 p 18

[Unattributed article: "Jose Eduardo Dos Santos, Chairman of the MPLA -- Workers' Party"]

[Text] The ruling MPLA -- Workers' Party held its 2nd congress in Luanda, capital of the People's Republic of Angola, in December 1985. More than 700 delegates representing 35,000 party members took part in its work. Angola's growing prestige in Africa and on the international scene was attested by the presence at that forum of almost 50 parties, national liberation movements and progressive organisations. Among them was the CPSU delegation headed by Geidar Aliyev, member of the Politburo of the CPSU Central Committee and First Deputy Chairman of the USSR Council of Ministers.

The congress was held under the slogan "The Struggle Goes On -- Victory Is Inevitable!". The documents adopted by the congress included resolutions on the report of the party Central Committee, which was made by its chairman Jose Eduardo dos Santos, on Angola's economic and social development in 1986-1990, on the Party Programme Rules and on other problems.

The laying of the foundations of socialist society, these documents state, has been and remains the strategic line of the Angolan revolution, the principle which was fully supported by all the participants in the party forum. In their speeches they drew attention to the great importance of the principle formulated in the Central Committee's report on the effect that the revolutionary democratic dictatorship, as a prototype of the dictatorship of the proletariat, is a form of political government corresponding to the specific conditions of Angola in the current transition period of laying the groundwork of the material and technical base of socialism. They stressed the paramount significance of the party line towards stronger friendship and comprehensive cooperation with the socialist countries, first and foremost to the USSR and Cuba. As the speakers pointed out, this accorded with the prospects of Angola's national rebirth and ensured success in peaceful construction.

The foreign guests of the congress said that the Angolan revolution, the unwavering stance of the leadership and the people and the growing military potential of the Angolan People's Armed Forces, which defended the independence

of this sovereign African state, evoked respect for Angolan policy and a sincere feeling of solidarity with it among the African nations and the world's progressive forces. International imperialism, which is striving at all costs to prevent other nations from following Angola's road, should be given a resolute and crushing rebuff: the whole of Africa should be free and its peoples allowed to decide their destiny on their own.

In his closing speech Chairman of the MPLA -- Workers' Party Jose Eduardo dos Santos said that the delegates of the congress had displayed great revolutionary responsibility for the destiny of the party and the Angolan people. The hopes of the internal and external enemies of the people's government to make the party and the people abandon the chosen road had been dispelled. The party had on the whole coped with the tasks set by the first and 2nd extraordinary party congress, despite the aggression, sabotage, terrorism and pressure exerted by imperialism, the South African racists and their puppets. Now the prefaces the task of translating into life the important decision of its 2nd congress.

The congress elected a new party Central Committee of 90 people, reelecting Jose Eduardo dos Santos as the party chairman. General Secretary of the CPSU Central Committee Mikhail Gorbachev sent him a message of greetings, heartily congratulating him on his reelection to the high and responsible post of Chairman of the MPLA -- Workers' Party wishing the Angolan people fresh success on the road to independence and progress and stressing that the CPSU and all the Soviet people would, as before, unchangingly support Angola's just cause.

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THIRD WORLD ISSUES

USSR'S ROLE IN LIBERATING KOREA AFTER WWII PRAISED

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 pp 28-31

[Article by Georgy Plotnikov: "The Soviet Armed Forces Liberation Mission in Korea"]

[Text]

After Japan forced Korea to sign an annexation treaty in 1910, for almost four decades, the Korean people remained under the yoke of Japanese imperialism. For all those years, the Koreans fought ceaselessly for liberation from colonial dependence. From the early 1930s onwards, the courageous Korean patriots' struggle grew into a Communist-led active partisan movement in Southeast Manchuria, close to Korea's frontier areas. The Japanese were much stronger, however, so the Korean people could not win their freedom single-handed.

Just over 40 years ago, in August 1945, in keeping with the USSR's commitments to its allies, Soviet troops struck a blow in the Far Eastern theatre of war, finishing off the aggressive forces that unleashed World War II. By August 20, 1945, the one-million-strong Kwantung army--imperialist Japan's attack force--was routed, and all its units destroyed or taken prisoner. The war that had raged in Europe and in the Pacific for six long years was now drawing to an end. The defeat of militaristic Japan brought the people of Korea the long-desired liberation from an alien colonial yoke.

The operations that liberated Korea were conducted by the 25th Army of the 1st Far Eastern Front and also by Marines, aircraft, and warships of the Pacific Fleet of the USSR.

Before the 25th Army reached the Korean border, it had to wipe out the enemy's forces in Southeast Manchuria. Special composite units were formed and trained for the mission. They were to rupture enemy defences without preparatory bombardment. The offensive was to begin at 01:00 on August 9, 1945.

The composite detachments had the advantage of a surprise attack, so most Japanese garrisons were captured before the troops were alerted or had time to take defensive positions. Here is what a senior officer of Japan's 3rd Army said during an interrogation, "The Soviet attack was so unexpected that throughout the night and till noon on the 9th of August, Army headquarters knew nothing, nor could it find out anything about what was happening on the border or about the positions of the units."

By 12:00 all detachments had fulfilled their missions, capturing strong-points in fortified sectors, rupturing enemy tactical defences, and providing the conditions for consolidation of the success.

During August 9 and 10, units of the 25th Army advanced through the tactical defence area of Japan's 3rd Army, capturing the main strong-points in fortified sectors, and reached the Korean border.

The Army now had a new mission: its main body was to pursue the advance to Jilin, cutting off the Japanese lines of communications that connected North Korean seaports with central and eastern Manchuria, and also to prevent Japan's Mudanjiang force from retreating southwards or southwestwards, and to destroy that force; the Army's left-wing units were to deliver subsidiary strike along Korea's Northeast coastline and to fight in coordination with Marines, warships, and aviation of the Pacific Fleet to capture the major Japanese naval bases and seaports in northern Korea.

The enemy's coastal defences were considerably weakened by air and torpedo attacks launched by Pacific Fleet forces. The seamen and pilots fought with great courage and resolution. During an air raid on Rashin port on August 10, Japanese anti-aircraft artillery shot down a Soviet aircraft crewed by section commander Junior Lieutenant M. Ye. Yanko and gunner I. M. Babkin. As the burning aircraft rapidly lost altitude, the courageous pilot and his gunner, both members of the Young Communist League, chose to die rather than be taken prisoner. Yet before they crashed, they destroyed an electric power station by ramming it. For this act of heroism Junior Lieutenant Yanko was awarded the title of Hero of the Soviet Union.

In the course of the operations efficiently conducted by Soviet aircraft and launches, a great number of Japanese supply ships and other vessels were destroyed. The summary of operations issued on August 11 specified that, on August 9 and 10, warships and aircraft of the Pacific Fleet, commanded by Admiral Yumashev, attacked enemy supply ships and troop-carriers in the har-

hours of Seishin, Rashin, and Yuki, sinking 11 vessels. The next day the figure was re-checked—it turned out that another 14 enemy troop-carriers and 2 torpedo boats had been destroyed during those two days. All this provided favourable conditions for landing operations to capture Japanese-controlled seaports in northern Korea.

On the evening of August 11, a landing force consisting of the 140th reconnaissance detachment of the Pacific Fleet headquarters and a reinforced Marine battalion, attacked and rapidly captured the seaport of Yuki, Japan's forward naval base situated 90 miles from Vladivostok. In their hasty retreat, the Japanese abandoned their colours and safes containing maps and other documents.

On the morning of August 12, 1945 an advanced party of two reconnaissance groups and a company of submachinegunners landed on the moorage walls of Rashin port; it was followed the next day by a self-contained Marine battalion. Their task was to capture the port and retain it till the arrival of bigger units of the 25th Army. During the battles in Rashin and on off-shore islands, 277 enemy personnel were killed and 292 taken prisoner, while the landing party lost 7 killed and 37 wounded in action.

During the landing operation at Rashin, a Soviet mine-sweeper, the TS-279, struck a US-made mine. It should be explained that the zone of operations of the Soviet Pacific Fleet had been established by agreement with the USSR's allies, yet, from July 12 to August 11, US aircraft laid 780 noncontact mines, of which the Soviet forces' command was notified only on August 21—when Soviet ground and naval forces had already liberated the whole of Korea's Northeast coast. On August 15, another 3 Soviet vessels, the *Suchan*, the *Kamchatneft*, and oil-tanker 1, struck US-laid mines at the mouth of Rashin harbour.

With Yuki and Rashin captured, the situation looked right for tackling a bigger task, that of moving on to the Seishin naval base. Seishin was the last and the biggest seaport in the Pacific Fleet's zone of operations where ships unloaded supplies brought from Japan and picked up troops that had to be evacuated. Seishin was also an important railway junction. The port being so critical, the Japanese built it into a well-fortified sector and assigned up to 4,000 troops to defend it. Two lines of defence were built around the city, with trenches, and 180 pill-boxes and bunkers connected by underground passages. The best-equipped strong-points were on the Komatsu Peninsula (Komalsandan) overhanging the northern part of Seishin harbour.

The morning of August 13 saw the start of one of the biggest landing operations in the Soviet-

Japanese war of 1945. Sixty vessels were dispatched to transport and protect the landing force, air support being provided by three airforce divisions and one airforce regiment totalling 261 combat aircraft. The landing force numbered some 6,000 officers and men.

The initial assault force (the advanced detachment) landed at the fishing port at 14:00 hours on August 13, but met with fierce resistance and soon had to take the defensive, failing even to reconnoiter the strength of the base personnel. On the following night, however, the first echelon of the landing force came to the naval dock, its mission being to capture Scishin and hold it until the main corps took over. In a series of rapid and resolute attacks, by the next morning the battalion gained a beach-head. It even started advancing inland, but sustained losses and failed to overcome the resistance put up by the superior enemy forces. In the afternoon, the Japanese pulled up reserves and launched a counter-attack against the Soviet initial assault force. The Soviet troops were driven back to the waterfront, but went on fighting with heroism and courage.

In this situation the Soviet landing force was greatly assisted by naval artillery. Here is what Major K. Melnikov wrote in his battlefield report, "When the Japanese launched their counter-attack, they were supported by an armoured train. The train was very cautious, constantly moving from place to place, under the protection of the port buildings. But a few salvos from our naval guns finished it off. Those guns also destroyed a train transferring troops to the battlefield. More than half the carriages of the train were destroyed."

In the fierce fighting at Scishin, the personnel of the 355th self-contained Marine battalion displayed exceptional heroism. Sergeant K. P. Birulya, who headed the Communist Party organisation in one of the battalion's companies, assumed the command of a machine-gun platoon whose commanding officer had been wounded,—and with that platoon Birulya rebuffed 15 enemy counter-attacks. Nurse M. N. Tsukanova personally evacuated 50 wounded men from the battlefield during the offensive. Later Tsukanova herself was badly wounded and taken prisoner. The Japanese tortured her, but being a staunch patriot and a member of the Young Communist League, she gave them no information and to the last minute of her life remained faithful to her country.

The steadfastness and courage of the 355th self-contained Marine battalion won it the honorary title of Guard Battalion, with 566 of the battalion's personnel being awarded war decorations, including the Soviet Union's highest decoration—the title of Hero of the Soviet Union. That title was awarded to Major M. P. Barabolko,



Captain M. I. Kochetkov, Senior Sergeant N. G. Markelov, and Sergeant K. P. Birulya. The title was awarded as a posthumous decoration to privates Ya. I. Beliayev and M. N. Tsukanova.

At about 04:00 on August 15, warships that had followed minesweepers from Vladivostok entered Chongjin harbour, bringing the second echelon of the landing force, the 13th Marine Brigade, to the moorages. The main body of the Brigade fought hard to crush the enemy's stubborn resistance and soon advanced to the outer lines of the enemy defences. The Soviet troops seized the enemy's first line of defence and approached the second line, but even with effective air and naval support, the second echelon of the landing force also failed to overcome the enemy resistance at once—because artillery support was not **strong** enough.

**Only at** 05:00 on August 16 did artillery and mortar **units** arrive at Chongjin. As it came into the harbour, the transport *Nogin* struck two US-made mines, putting it out of control. Soon afterwards, another Soviet transport, the *Dalstroj*, had a similar accident, but the crews of the two vessels did not panic. They led the ships to moorages and unloaded the weapons and ammunition, even though they had to work under enemy fire.

With artillery pieces and mortars at their disposal, the 355th self-contained Marine battalion and units of the 13th Marine Brigade, supported by aviation and naval guns, took the final offensive in the morning of August 16.

In the course of operations conducted jointly by Marine units, aviation and warships of the Pacific Fleet, the Japanese fortifications around the Seishin naval base were breached. In the afternoon of August 16, units of the 393rd Infantry Division of the 25th Army approached Chongjin from the North,—and this definitely tipped the balance of the battle in favour of the Soviet forces, which soon completed the liberation of Chongjin.

When the battles were over, the people of Chongjin came out with flowers to welcome their long-awaited liberators to the city. Commanding officers and political workers of the Soviet units received many delegations from Seishin and nearby villages. This is how the Soviet daily *Krasnaya Zvezda* described one such visit: "A group of old men approaches the commandant's office. The oldest of them, a Korean named Kim In Dzun, presents an address to the Soviet Command, written in Korean. The Koreans say they are grateful to the Soviet Army that has liberated them from Japanese enslavement and declare the Korean people's readiness to give every kind of assistance to the Soviet Army."

As the liberation of Chongjin was being completed, the main body of the Army continued its advance towards Jilin, capturing Wangqing on August 16, and the next day, Tumen and Yanji.

Faithfully in line with their internationalist duty, the Soviet troops continued liberating northern Korea. The 25th Army moved southwards along the coast. On August 17 its units entered Nanam; on August 19 a special force landed at the sea port of Odaejin, and on August 21, at the Wonsan naval base. With that base captured, the whole of Korea's Northeast coast, as far as latitude 38° North, was liberated. As the Soviet units advanced southwards, they were cordially greeted by Korean civilians.

In order to bring the surrender of the Japanese troops in northern Korea closer, on August 24 tactical airborne units were delivered to Pyongyang and Hamhung.

On August 26, Colonel-General I. M. Chistiaikov flew to Pyongyang to accept the official surrender of the 30,000-strong Japanese garrison, and by the end of August, the 25th Army Headquarters had moved from Yanji to Pyongyang. By early September 1945, the Soviet forces had routed the enemy, liberating the whole of northern Korea as far as latitude 39° North.

That victory exacted a high price. During the operations in Korea, the 25th Army's losses exceeded 4,700 servicemen, about 1,500 of them killed in action. Considerable losses were sustained by the Marine units, air crews, and warship crews of the Pacific Fleet that fought to liberate northern Korea. There are monuments and obelisks erected by the Korean people in many North Korean cities and towns in gratitude to the Soviet Army and in memory of the Soviet soldiers killed in liberating northern Korea. In his speech at a meeting in Pyongyang on October 14, 1945, Kim Il Sung said, "In the grimmest years of the Japanese rule we looked with hope to the country of socialism, and that hope was fulfilled. In August 1945, the powerful Soviet Army routed the Japanese Kwantung army and liberated Korea. We shall keep our gratitude to our liberator, the Soviet Union, alive for centuries."

As Korea was liberated, the Soviet military command worked to bring life in urban and rural areas back to normal, and established links of friendship with the local population. This no easy task in a country where, for many years, the Japanese colonialists had cultivated anti-Soviet attitudes, was carried out by Soviet commandant's offices. By September 28, 1945 there were 54 such offices in northern Korea. They were set up to maintain peace and order in remote localities and to ensure that the weapons and military equipment of the surrendered Japanese were stored away safely.

A short time later, a Civil Affairs board was set up at the Army Headquarters. It consisted of

experts in industrial affairs, agriculture, transport and communications, legal matters, trade, health, and culture. The CA board's activities showed, in a most comprehensive and tangible way, the internationalist nature of the Soviet Armed Forces—the liberating army, and exemplified fraternal cooperation between the Soviet people and the working people in North Korea. The board and its specialists faced a tremendous task—they were to restore the economy of the liberated areas. That was no easy task, for 1,015 big and medium-sized factories in northern Korea, out of the total 1,034, were not operating. Another problem was that most Japanese engineers and technicians had fled to South Korea,—and the Japanese made up the bulk of Korea's engineering force, while Korean specialists numbered just a few dozen.

On November 27, 1945, the Commander of the 25th Army issued an order commissioning heavy-industry facilities, and this marked the start of economic restoration in recently liberated North Korea. The personnel of the 25th Army did a lot to help restore war-damaged economic facilities, and the Koreans were grateful. Lee Gee En, a well-known Korean author and chairman of the Korean society of cultural links with the USSR, wrote, "Never before in human history had troops built houses and factories, mines and blast-furnaces—built instead of destroying." That was an example of proletarian internationalism—a deep-rooted principle in the Soviet Armed Forces.

The workers and peasants of North Korea worked hard and, with much help from the Soviet Union, 840 nationalised factories in North Korea were restored and put back into operation by the end of 1947. The Korean people embarked on the path of comprehensive democratic and social transformations, which opened up good prospects for building a new life in the country. In the years that have elapsed since the liberation, the nation, guided by its time-tested leader, the Workers' Party of Korea, has scored impressive social and economic achievements. Today, the Democratic People's Republic of Korea is an industrial-agrarian nation, with steadily developing industries, agriculture, science, and culture, and with the people's well-being constantly on the rise.

In the 40 years since Korea's liberation from the Japanese invaders, the Soviet Union has always supported its people—in times of peace, as well as in the years of struggle against imperialist aggressors. The Soviet people are genuinely happy to see the nation's impressive accomplishments in the construction of a new life. We can state with satisfaction that Soviet-Korean relations, founded on the principles of Marxism-Leninism and proletarian internationalism, are constantly gaining in strength and depth and acquiring new content, and that the long-standing Soviet-Korean friendship, built and strengthened in the joint struggle, is developing in every way.

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THIRD WORLD ISSUES

GROWTH OF SOVIET-INDIAN FRIENDSHIP POSITIVELY EVALUATED

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 pp 40-43

[Article by Anvar Sarvarov: "Friendship to Grow Stronger"]

[Text]

The past year has been a new chapter in the annals of friendly Soviet-Indian relations. The Indian Prime Minister Rajiv Gandhi paid an official friendly visit to the USSR in May 1985. The visit demonstrated the stable nature of the relations between the two countries, which are successfully developing on the basis of the Treaty of Peace, Friendship and Cooperation between the Soviet Union and the Republic of India. The Treaty, signed in 1971, was a milestone in the history of Soviet-Indian relations, an event of great international importance. By formalising all the positive factors that had accumulated over the decades and turned into a good tradition in relations between the USSR and India, the Treaty provided a solid political and legal basis for the strengthening and further development of bilateral ties, reflecting the firm belief of the two peoples in the maintenance of peace and security in Asia and beyond it.

Summing up the events of the past year, it must be said that it was a difficult one for India and cannot be assessed according to set formulae. The country's serious achievements in various spheres are beyond doubt. In economics, for example, the growth of the GNP in the 6th five-year-plan period, which ended on March 31 last year, exceeded 5 per cent, while the average annual growth rate in industry reached about 6 per cent. In the last two years record cereal harvests have been registered (151-153 million tons) and the level of inflation has lowered somewhat. At the same time, there are growing social and property inequality, higher unemployment level and an increasing number of Indians living below the official "poverty line".

The problem of unity of the vast multi-national Indian state has been noticeably aggravated and moved to the fore as a result of the unprecedented activeness of communalist, extremist and separatist

forces, the growth of local bourgeois nationalism, the deterioration of relations between some states, including ones ruled by non-Congress governments and the central government. The pressure of a number of national problems, including that of Punjab, compounded by periodic outbreaks of religious-communal and caste enmity, pose a serious threat to the unity and territorial integrity of the country and tend to destabilise its internal political situation. The growing nationalistic and religious-communal contradictions were reflected in the alarming events in Punjab and other regions of the country, which demanded that the authorities take strong and decisive measures to maintain law and order and keep the situation under control. The murder of Prime Minister Indira Gandhi, the outstanding daughter of the Indian people, by Sikh extremists on October 31, 1984 was the culmination of the general increase of political tensions in the country.

Elections to the House of the People of the Indian Parliament (December 1984) and to Legislative Assemblies of 11 states (March 1985) were notable political events. The Indian National Congress (I), led by Rajiv Gandhi, scored a landslide victory in the elections to the House of the People, having won four-fifths of the seats and the majority of votes in 8 out of 11 states. The parties of the bourgeois opposition, having suffered a major defeat in parliamentary elections, managed to come out on top in elections in two southern states—Andhra Pradesh and Karnataka, and maintain a substantial mass influence there. All the same, the impact of these parties remains limited because they lack a constructive programme, suffer from disunity and sharp inter-party rivalry. At present, the main bourgeois parties of a bourgeois-nationalistic hue that have grown noticeably stronger of late, are still unable to contend for power against the Indian National Congress (I) on a country-wide scale.

Having firm positions in the centre, in both houses of Parliament and in the majority of states (the INC (I) is in power in 14 states out of 22), the government of Rajiv Gandhi focuses priority attention on strengthening India's national unity and securing territorial integrity, settling the protracted Punjab problems and those in the northeast of the country, and cutting short the activities of extremist, separatist and religious-communal forces. Much attention is also paid by the new leadership to regulating and enhancing the effectiveness of work of the party (Congress) and state apparatus, wiping out corruption, red-tape and bribery. A major step in this direction was made by overhauling a number of national ministries, departments and services and by Parliament adopting a bill disqualifying deputies if they change their party affiliation.

In the socio-economic sphere the government of Rajiv Gandhi confirmed the Jawaharlal Nehru—Indira Gandhi course. At the same time, having set the task of "preparing India for entering the 21st century", Rajiv Gandhi puts the main stress in his government's policy on accelerating the country's development through modernisation of its economy, the broad introduction of high technology and other achievements of the scientific and technological revolution, streamlining the state sector and encouraging private enterprise.

The complexity and multi-faceted nature of socio-economic problems facing the Indian leadership have not reduced the attention it pays to questions of foreign policy. India pursues an active and assertive foreign policy course, making a positive contribution to improving the international climate. The Indian leadership has proved its unflagging concern for safeguarding peace and curbing the arms race by organising in Delhi early this year a summit meeting of six countries to discuss disarmament problems, by coming up with initiatives, in India's capacity of Chairman of the non-aligned movement, aimed at settling the Iran-Iraq conflict and the situation around Afghanistan and Nicaragua. More than two years of successfully filling the leading post of this influential movement demonstrate India's constantly growing and justly deserved international prestige.

The practical activities of India's new leadership prove the continuity of the country's foreign policy, including relations with the Soviet Union. Both states view the development of bilateral ties as a priority foreign policy line, which meets their basic national interests, those of peace in Asia and throughout the world. Cemented by the 1971 Treaty, the friendly Soviet-Indian relations are characterised by a high level of trust and mutual understanding, dynamism and great variety of spheres of cooperation, stability and freedom from political wavering and expediency considerations. The Soviet Union being a reliable and tried friend and a selfless partner of India, is building its relations with her in strict accordance with the principles of respect for independence, sovereignty and territorial integrity, non-interference, equality and mutual benefit. India's cooperation with the USSR strengthens her economic self-reliance and defence capacity, it is free from political strings, unlike the "selfless aid" from some Western states, and is not used as an instrument of bringing pressure. The Soviet Union respects this great Asian power's peaceful and independent foreign policy, welcomes India's ever growing role in international affairs, viewing it as a substantial and weighty factor in world politics.

Traditional and regular contacts between the leaders of the two countries have become an important integral element of Soviet-Indian friendly

relations. Every such meeting elevates our all-round ties to a qualitatively higher level, deepens trust and mutual understanding, and strengthens cooperation between the USSR and India in the international arena.

Prime Minister Rajiv Gandhi's official friendly visit to the Soviet Union last May was an event of great political importance and a significant landmark in the further development of bilateral ties. The fact that Rajiv Gandhi's first trip abroad in the capacity of Prime Minister was made to the USSR is a fresh confirmation that the Soviet Union holds a special place in India's foreign policy.

In the course of the negotiations held in Moscow between the Soviet leaders, headed by Mikhail Gorbachev, General Secretary of the CPSU Central Committee and Prime Minister Rajiv Gandhi profound satisfaction was expressed with the high level, effectiveness and scale of Soviet-Indian relations, which are successfully developing on the firm basis of the 1971 Treaty. Both sides confirmed their desire to exert consistent efforts in the future as well to comprehensively strengthen and deepen these relations in all spheres. The parties to the talks stressed the fundamental importance of regular contacts at the summit level as a significant instrument for promoting trust and friendship between the two countries. It was noted that such contacts help advance the whole complex of friendly relations, enhance the effectiveness of efforts by the USSR and India in the struggle for universal peace and security.

Of principled importance for the further facilitation of the traditional, mutually beneficial ties between the USSR and India are the documents signed during the visit: an agreement on the guidelines for economic, trade, scientific and technological cooperation up to the year 2000 and an agreement on economic, scientific and technological cooperation in the construction of a number of projects in India.

The identity or closeness of the two states' positions on topical international questions and major problems of world politics were formalised in the Soviet-Indian statement which rounded off the visit. In it, both sides expressed concern over the continuing international tension, the relentless arms race, especially in nuclear weapons, and the growing danger of their spreading into outer space. The Soviet Union and India stressed the need for an immediate end to the arms race on earth and the prevention of its spread into space, for stepping up the struggle for peace, disarmament, and prevention of the nuclear threat.

A broad exchange of opinions took place on questions of strengthening peace and security in Asia, the compelling necessity of turning the Indian Ocean into a peace zone, elimination of hotbeds of tension there, and the settlement of outstanding issues in the region by political means, through ne-

gotiations. Of special importance in this connection is the proposal, put forward during the visit, by Mikhail Gorbachev, that an all-Asian forum be held in the future to exchange opinions and jointly seek constructive solutions to outstanding issues of maintaining peace and security in Asia. To this would contribute another new peaceful initiative of the Soviet leadership: the adoption by every permanent UN Security Council member of an obligation to strictly observe in relations with the countries of Asia, Africa and Latin America the principles of non-interference, non-use of force or threat of force and their non-involvement in military blocs.

Rajiv Gandhi's visit to the USSR and his talks with the Soviet leaders have once again demonstrated the permanent and stable character of relations of the close friendship and many-sided fruitful cooperation between the Soviet Union and India, have filled them with qualitatively new contents and proved a milestone towards their further development and deepening. These traditional friendly ties, having withstood the test of time, are strong and unbreakable because they are built on equality and mutual respect, on the identity or closeness of the two countries' positions on the basic problems of the present time, on sympathy and trust, on the "unity of the ardent hearts of the two creative peoples", as Indira Gandhi picturesquely and aptly put it. That is why, although years and decades go by, and generations change in both countries, Soviet-Indian relations develop unswervingly. By the force of their bright example they help promote the principle of peaceful coexistence and fruitful, mutually beneficial cooperation between states with different social systems, reliably and effectively serve the interests of the Indian and Soviet peoples, the goals of consolidating peace and international security in Asia and all over the world.

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THIRD WORLD ISSUES

DEVELOPMENT OF ZIMBABWE, RELATIONS WITH USSR DESCRIBED

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 pp 44-48

[Article by Anatoly Zhigunov and Igor Nikolayevsky: "To Turn Back is Impossible"]

[Text]

"A wonder of the world!" The words come forth spontaneously from about every visitor to the gigantic Victoria Falls. Five in a row, as high as a 35-storey building, a mile long and wide, they are overhung by a white cloud of spray shimmering with big and small rainbows. Nature seems to have endowed Zimbabwe with all its bounties: wonderful scenery, one of the world's best climates, fertile soil, a treasure trove of mineral resources—gold, platinum, nickel, chromium... All in all, over 40 kinds of minerals, counting only those extracted on an industrial scale.

No wonder the land between the Zambezi and Limpopo rivers attracted the greedy eyes of the British colonisers. In the late 19th century, they deceived Lobengula, the supreme chief of the local tribe of Ndebele, into accepting a treaty that granted them exclusive rights to "all metals and minerals" of the land. The occupied country was given the name of Rhodesia, in honour of Cecil Rhodes, an adventurer and businessman who dreamed of British possessions in Africa stretching without interruption from Cairo to the Cape of Good Hope.

By exploiting cheap native labour and with the help of the metropolitan country, 250 thousand white settlers built a well developed capitalist sector of the economy here and intended to maintain their dominion for something like a thousand years. Under the onslaught of the national liberation movement, however, they had to abandon these intentions. On April 18, 1980, Rhodesia became the Republic of Zimbabwe, the 50th independent state of the continent.

DEVELOPMENT PRIORITIES

No other country in Tropical Africa boasted such a sizeable economic potential by the time it

gained independence. To begin with, Zimbabwe is virtually self-sufficient in food products, and even exports them. She is rightly called the bread basket of Southern Africa.

As we were told at the Republic's Ministry of Agriculture, during last autumn (in the Northern hemisphere it was spring), thanks to improved irrigation and heavy rains after three dry years, a bumper harvest of cotton was brought in; its sale on foreign markets will provide the country with some 180 million Zimbabwean dollars.

(Footnote 1) (One Zimbabwean dollar is worth 0.68 US dollar.)

The harvest of cereals and tobacco, also a staple export crop, was bountiful too. Success in agriculture is the key to Zimbabwe's progress since, in its contribution to the GDP, agriculture comes second only to mining. In the short term the task is not only to consolidate what has been achieved, but also to increase agricultural production greatly. Failure to do so will slow down or even halt the development of other branches of the economy.

The plans for upgrading the agrarian sector are closely connected with the problem of resettling African peasants, who were formerly driven by European colonists to the so-called "tribal lands"—relatively barren and subject to drought. Even today, about five thousand white farmers own almost half (the best half) of the arable land, while the 700 thousand African families living in the countryside suffer from overcrowding, and a shortage of water, pasture land and woods. Some years ago there was an even greater number of such families. Since then, tens of thousands have been given land under the government programme of redeeming land from Europeans.

Yet resettlement is only half the problem. The country's leaders see the future of the Zimbabwe countryside in the cooperation of peasant farming. True, there are still only a few cooperatives, and they are taking only their first steps, but their very appearance, often on grassroot initiatives, is remarkable in itself. We visited one cooperative, called Kuwadzana, situated in the province of West Mashonaland, on land formerly owned by a white farmer who left the country after the declaration of independence.

"At first there were only 13 of us,—says John Kabwunie, director of the cooperative—now the number has risen to more than a hundred. And almost all are young. We sow two fields: one, of 140 hectares, is for cotton, the other, 134 hectares for maize. We do not compel anybody to join us. We decided to show in practice the advantages of collective work to those who doubt them.

"That's right," chuckles his deputy, Douglas Serenya, "but at first we were afraid the govern-

ment would take the whole of our harvest to pay for the land leaving us nothing..”

“Well, I figured right away, interposed the director, “why should the state both give us land and ruin us? I was proved right. With the money from the sale of the cotton, and the surplus grain, we purchased two tractors, a Landrover and a truck. We are building housing, providing running water and electricity. Next on the agenda is a school and a medical centre.”

“That is,” they concluded in unison “the most convincing advertisement for a cooperative: if you put social interests higher than personal ones, you yourself gain as a result and make your country stronger.”

As for industry, the government pursues a flexible, pragmatic strategy of gradual actions aimed at extending state participation in production. A substantial part of investment in enterprises belongs to American, British, and South African companies, and even transnationals in the mining industry. In the present phase of the country's development, the Zimbabwe leaders believe, the immediate full nationalisation of industry would do more harm than good, rupturing the established links between various sectors of the economy. But this in no way means, however, that the country's natural resources remain totally in the hands of Western monopolies. The latter are forbidden to transfer all their profits abroad; a certain part of them must be reinvested in Zimbabwe's economy. Minerals are exported exclusively by the state. This export has now increased by 17.2 per cent over the 1982 level and, for the first time since the declaration of independence, the country has a favourable balance in foreign trade.

#### EDUCATION FOR THE PEOPLE

The strategy of gradual steps in relation to foreign private capital is also explained by an acute shortage of African specialists. Hence the government is focusing particularly on the development of public education, which is experiencing a veritable boom. Judge for yourself: over the period of independence, the number of primary school pupils has gone up from 800 thousand to 2.5 million, while senior classes are attended by 300 thousand adolescents. The country boasts 1,206 secondary schools, 988 of them state-owned. In the 1984/85 financial year, the government earmarked over 450 million dollars for public education, a sum previously spent over three or four years.

“Such figures”, Dzingai Mutumbuka, Minister of Education and Culture remarked in a talk with us, “were unthinkable when the country was call-

ed Rhodesia. Almost all of its black inhabitants could neither read nor write. In Zimbabwe public education is free, and it is accessible to all, irrespective of colour or social origin. Proceeding from the present rates, illiteracy should be done away with completely by the year 2000".

Mutumbuka emphasised that the system of education adopted in Zimbabwe is one of the most progressive in Africa to the south of the Sahara. From the first form, the children study two languages—Shona or Ndebele, the major native languages in Zimbabwe, and English. According to Goustav Jahodi, professor at Scotland University, many schoolchildren in Zimbabwe master certain economic categories at least two years earlier than their British peers. "One more nail in the coffin of the fixed idea about the permanent intellectual inferiority of black children", commented Professor D. Munroe at the University of Zimbabwe.

African schoolchildren take part on their own initiative in building schools, work in workshops and the fields. Typical in this respect is the settlement of Chindunduma, 60 kilometres from the republic's capital, Harare. In front of the school building we saw the slogan: "Education must serve the development of the country". In addition to studying the exact and natural sciences and the humanities, the schoolchildren here learn the secrets of carpentry and grow maize and vegetables on the fields adjoining the school, the total area of which reaches 250 hectares. The government supported the initiative of schoolchildren at Chindunduma, who want to acquire practical know-how to help the economy, and recommended that this experience be applied throughout the country.

Some race-minded whites charge that to mix study with work and make education accessible to all is bound to lower its standard, but such accusations are groundless, we were told in Zimbabwe. If a child who speaks two languages from the age of seven, also sows and reaps, works in a workshop, in a word, wants to help society, rather than be a burden, how can this hamper his educational training?

Of course, the formative period of the new school has its difficulties. First, as the magazine *Moto*, pointed out the new school is little satisfied by the teachers that come by contract from the West: as a rule they have no knowledge of Africa, nor interest in the culture, literature and art of the Zimbabwean people. That is why recently they have preferred to invite teachers from African countries, such as Tanzania, Ghana, Mauritius, etc.

A serious problem is posed by the desire of a certain part of the white community, who hardly make up three per cent of the country's popula-

tion, to isolate itself, using for this purpose private schools where racist myths are still in vogue. Taking into account the danger posed by such a trend, the government proposed that either these schools enroll a majority of African pupils as soon as possible or close down. It must be noted that it is not so much the children, but the adults, who are infected with racist prejudices there. It is gratifying, wrote Zimbabwean *Herald* in this connection, that 99 out of every 100 white pupils are more reasonable than their parents on questions of race. As for black children, racism is alien to them altogether.

Africans now comprise about 80 per cent of the students at the capital's university. Situated in a picturesque corner of Harare, the university is steadily expanding: the state pays no less concern to higher education than to primary and secondary. A building of the pharmaceutical faculty is under construction, the electromechanical faculty is being reconstructed, and the library is replenishing its funds with new publications, including Soviet ones.

Education opens people's eyes—Prime Minister Robert Mugabe justly remarked. He has repeatedly emphasised that the whole system of education in Zimbabwe must be aimed at educating a new man, called upon to contribute as much as possible to the reconstruction of society, and the elimination of racial and any other oppression.

#### SOCIALISM AS A PROSPECT

Along with other countries of Africa, Zimbabwe is hit by the slide in prices of raw materials as a result of cataclysms in the world capitalist market. Unemployment also has to be reckoned with. Foreign currency for implementing the development plans is in short supply, while the West is in no hurry to grant the loans and credits previously promised. It is perfectly clear why: the imperialists are irritated, even infuriated by the country's socialist orientation, by her efforts to strengthen national independence and economic self-reliance, and, finally by her foreign policy. Thus, the head of the Harare branch of the American Agency for International Development stated openly and cynically in an interview that Zimbabwe, along with Nicaragua, was the initiator and author of a resolution [in the UN.—*Auth.*] condemning US intervention in Grenada, and this caused the reduction of American aid.

The Zimbabwe leaders reply that, although the road to socialism is going to be a long one, there can be no turning back. This point was specially stressed by the 2nd Congress of the ruling Zimbabwe African National Union (ZANU), held in August 1984. The Congress adopted a programme

and new party rules that emphasise that ZANU's main strategic goal is to build a socialist state, based on the principles of Marxism-Leninism and closely linked with the historical, social and cultural experience of the Zimbabwean people, a state with a political order founded on universal suffrage exercised under the guidance of the ruling party of workers, peasants and intellectuals.

According to the party rules, the country will have a one party system, with ZANU acting as the leading political force. Explaining this decision, Robert Mugabe expressed the conviction that such a system could unite the people more effectively than a multi-party system. It must be realized, he continued, that we constitute one society, one state with one government. The opinion of the majority must be considered the voice of all the Zimbabweans; the people support this.

Of course, they realize in Zimbabwe that the task of building a multi-racial democratic society is not an easy one. First of all, it is necessary to establish equal conditions and living standards for Africans and the white community. The Western press asserts that racial harmony in Zimbabwe is a Utopia. Countering such criticisms, Robert Mugabe has said that the republic has already done a great deal more than the USA or Britain to overcome racial enmity. In Zimbabwe they do not treat whites the way blacks are treated in those countries, he said. The Africans do not seek revenge on the whites for the past; they see the whites as their equals, although the latter still hold dominating positions in the economy.

Indeed, as far as we can judge, whites are well-off in Zimbabwe, perhaps even better-off than in any Western country. Even though there still remains a substantial gap between the incomes of the two communities, their relationships on the whole seem smooth and quiet, which must be viewed, undoubtedly, as a major achievement by Zimbabwe.

#### ENEMIES AND FRIENDS OF THE YOUNG REPUBLIC

The successful realization of the ZANU programme largely depends on the degree of unity of the patriotic forces. This unity is as necessary now as it was during the struggle for independence. Unfortunately, the present domestic situation is soured by the events in the province of Matabeleland, inhabited by the Ndebele. Attempts by imperialist propaganda to present these events as an inter-ethnic conflict between the Ndebele and the Shona, the most numerous people of Zimbabwe, are absolutely groundless. There are grounds for believing that these attempts have been made with the aim to split the country.

Tension in Matabeleland is being provoked not least of all by the actions of neighbouring ra-

cist South Africa, which is seeking to arouse fear and insecurity in Zimbabwe and force it to renounce assistance to the national-liberation movement in southern Africa. Pretoria is sending armed bandits across the border, as a rule, under the command of white officers. The latter are responsible for bomb explosions at ZANU headquarters and in army barracks, for the assassinations of party activists. As stated by London's magazine *Africa*, the agents dispatched by the racists to Zimbabwe territory play a similar role to that of UNITA squads in Angola and the MNR in Mozambique. One might guess there is a well-thought-out plan by the corresponding South African services to destabilise the "front-line" states, including Zimbabwe.

The republic's leadership, having more than once declared that racist actions would not scare the Zimbabwean people, is taking energetic steps to reduce the country's economic dependence on South Africa. Southern Africa Development Coordination Conference, embracing nine states, was set up with this aim in view. Zimbabwe is one of the most active of them. Such countries as Mozambique and Botswana, greatly affected by the drought, can count on the fraternal assistance of a neighbour that has brought in a good harvest.

Examining factors that still allow Pretoria to destabilise the situation in the region, analysts in Harare conclude that the racists would not dare act so arrogantly if they did not have the support of the US administration and ruling circles of the other imperialist powers. That is the stand taken by the Zimbabwean representatives at international forums, in the UN and the OAU. They roundly condemn the obstructionist policy of the USA and its Western allies in regard to the Namibian problem, come out for the elimination of apartheid in South Africa, for peace and progress throughout the world. Zimbabwean young people gave their full support to the slogan of the Moscow Festival and took part in it.

All this provides good grounds for the all-round development of Soviet-Zimbabwean relations. The ZANU 2nd Congress was attended by a CPSU delegation. Soviet performers, sportsmen, and musicians are frequent visitors to Zimbabwe. The export potential of the USSR was quite unexpected for many local businessmen, who are now able to acquaint themselves with Soviet achievements at the annual fair at Bulawayo. The *Grassroots* bookshop in Harare is always crammed with buyers interested in the works of the classics of Marxism-Leninism published in the USSR, in books and booklets on the history of the USSR, the theory and practice of building socialism. The world's first state of the victorious proletariat is helping the young republic train its own specialists.

Of particular importance for the development of Soviet-Zimbabwean relations was the December 1985 official visit to the USSR by a Zimbabwean party and government delegation led by Robert Gabriel Mugabe, President and First Secretary of the Zimbabwean African National Union-Patriotic Front (ZANU-PF) and Prime Minister of the Republic of Zimbabwe. He was received by the General Secretary of the CPSU Central Committee Mikhail Gorbachev and other Soviet leaders.

The sides discussed a wide range of political issues. They paid particular attention to the situation in southern Africa. The leaders of the two countries resolutely denounced Pretoria's policies, expressed confidence that the so-called constructive engagement between the USA and South Africa was the main obstacle to the world community taking effective measures to bridle the racists, and backed the demand that comprehensive mandatory sanctions should be used against South Africa in accordance with Chapter 7 of the UN Charter.

In the sphere of bilateral relations, the sides signed an agreement on economic and technological cooperation between Zimbabwe and the USSR, and a protocol on cooperation between the CPSU and ZANU-PF. A joint communique was adopted.

The sides noted that the agreements would help promote friendly Soviet-Zimbabwean relations in various spheres.

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### THIRD WORLD ISSUES

#### BRITISH ANTI-APARTHEID ACTIVIST HITS U.S. STAND ON NAMIBIA

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 p 64

[Article by Robert Hughes, Labor MP, Chairman of the British Anti-Apartheid Movement: "Who is Blocking a Namibian Settlement?"]

[Text] A delegation of the British Anti-Apartheid Movement headed by ROBERT HUGHES visited the USSR at the invitation of the Soviet Afro-Asian Solidarity Committee. Robert Hughes addressed a theoretical and practical conference on "Some Aspects of Domestic Political Development of Angola, Namibia, and South Africa, and Problems of Namibian Settlement", sponsored by the Soviet Solidarity Committee. The conference was attended by our correspondent VALERIAN SEVRYUKOV.

Owing to the selfless efforts and sacrifices made by the patriots of southern Africa, favourable conditions have now taken shape in the region for implementing UN Security Council Resolution 435 and holding free elections in Namibia under UN sponsorship.

A fair settlement is being delayed, however, through the fault of Western powers, first and foremost the US. The "contact group" set up by them to mediate between the South-West Africa People's Organisation (SWAPO) and South Africa has taken a formal approach, to put it mildly, to the implementation of the Resolution and is seeking a compromise with the apartheid regime. Whenever Pretoria puts forward new preconditions, the "contact group" agrees to them.

Illogically, the presence of a Cuban military contingent in Angola has become a stumbling block to the talks. Our Movement's stand on this matter is quite clear. We have reiterated that the "linkage" made between Namibia's independence and the presence or absence of these troops in a neighbouring country is absurd. As a sovereign

state, Angola has the right to decide herself what armed forces should stay on her territory to ensure the security of its people. What would be said, for instance, about SWAPO's common sense, should it demand an international discussion of a withdrawal from Britain of US troops? Apparently, the US and South Africa would like to impose their will on the United Nations by such manoeuvres.

The political situation within South Africa itself has been aggravated dramatically. The regime needs extra troops to maintain "order". Perhaps this is one of the reasons for the much-publicised, but never completed, withdrawal of racist troops from Angola. The apartheid state is unable to prolong the colonial status of Namibia, either economically or militarily. The maintenance of the occupation forces there costs Pretoria too much.

So, changes in the region are manifest. At the same time, it is clear that the racist regime will not give up its apartheid policy and colonial hold on Namibia of its own accord. This is why solidarity organisations should aid SWAPO and the African National

Congress (ANC) of South Africa more effectively, and mobilise the public for sanctions against South Africa. Victory can be achieved through joint efforts by freedom fighters in Africa's south and solidarity movements across the world.

We cannot say we have succeeded in convincing the British and US leaderships to introduce sanctions. Solidarity movements function in quite different circumstances in socialist and capitalist countries. In the Soviet Union, this movement has a set budget, access to an unbiased press and government support, whereas we in the West face open hostility on the part of the authorities and attempts by most of the mass media to distort the truth about developments in Africa.

Nevertheless, I am optimistic and sure that our Anti-Apartheid Movement will gain strength. Many MPs and a lot of grass-root trade-union members support us. More and more people are demanding immediate economic and other sanctions against the Pretoria regime. The activities of anti-apartheid campaigners in the United States have also been stepped up. US banks and industrial companies are beginning to worry about their investments in the south of Africa.

The policy of apartheid is pure racism, and whatever attempts are made to whitewash the doctrine of "separate development of races", it should be regarded as hostile to the whole of man-

kind. Only the joint efforts of the international community can put an end to the tragedy of apartheid, just as forty years ago our countries, in the anti-Hitler coalition, defeated German nazism. Much depends on the goodwill of the United States, Britain and other Western states.

Our Anti-Apartheid Movement is alarmed by the atrocities perpetrated by the Pretoria regime against the indigenous population of the country, and denounces the racists' plans to impose the so-called "internal settlement" on Namibia. We have always stated that the implementation of UN Security Council Resolution 435 demands specific measures to isolate South Africa economically, politically and militarily. Words are not enough, however.

As for our organisation, we hold month-long campaigns to boycott South African goods, to supply the ANC and SWAPO with medical equipment, medicines, school appliances, and try to provide the public in Western countries with maximum information about the real state of affairs in South Africa and Namibia. We are satisfied with the practical results of our cooperation with the Soviet Solidarity Committee through numerous longstanding contacts. Working under different social systems, we have a common cause in bringing closer the ultimate elimination of apartheid.

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THIRD WORLD ISSUES

TOGOLESE DELEGATION HEAD INTERVIEWED DURING USSR VISIT

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 pp 65, 66

[Interview with Messan Locoh-Donou, Member of the Central Committee of the ruling party, Association of Togolese People by Asia and Africa Today correspondent Mikhail Pavlov, date and place not given; "Togo--To Struggle for Peace Together"]

[Text]

— Would you be so kind as to describe the course and results of your visit?

— First and foremost, I would like to note the warmth and hospitality of the reception accorded to us. At the Department of Party Construction, Academy of Social Sciences under the CPSU Central Committee, we were acquainted with the structure and activities of the Soviet Communist Party. In the Soviet Afro-Asian Solidarity Committee, we discussed some problems concerning the further development of relations between Togo and the USSR, particularly the expansion of cultural cooperation. We had interesting meetings in the Soviet Peace Council and the Soviet Peace Fund. We were moved and struck by the fact, which we had not known previously, that ordinary people finance the struggle for peace with voluntary donations of their money to the fund.

We also visited Leningrad and Frunze, the latter being the twin city of Lomé, our capital. After getting to know the "1st of May" collective farm near Frunze, we concluded that we have full grounds for expecting more from the cooperatives in Togo. We shall recommend that our leadership establish contacts with the USSR in the sphere of agriculture as well.

As far as the diplomatic aspect of our visit is concerned, we have been convinced that the Soviet Union is siding with newly-free African states in their liberation movement. No one can belittle its immense assistance to the struggle of peoples, African peoples included, for genuine independence. For example, over 400 young Togolese engaged in different branches of our economy have received an education in the

USSR, and about another 500 students are now studying in Soviet higher educational institutions. This is more than in virtually any Western country. On behalf of President Eyadema and all our people, I should like to express gratitude to the Soviet people for this valuable aid. We are satisfied with the quality of the training obtained by our young men and women in the USSR and the prospects for the future in the above-mentioned field.

In general, I believe our visit was useful and positive from all points of view. The vast information we have obtained will be used in practice in order to strengthen our bilateral relations.

— Forty years after the great victory over Nazi Germany and militaristic Japan, mankind is facing a more real danger of a new world war than ever before. The Soviet Union is doing all in its power to prevent a nuclear catastrophe and halt the arms race. What is the stand taken by Togo on this vital issue?

— The possibility of a nuclear war greatly disturbs all peoples. Togo has neither atomic nor any other modern weapons. It threatens nobody and has no such intention. On the contrary, our country does everything it can to promote peace. For 18 years now, guided by President Eyadema, the founder of the RPT, our republic has been working for peace in West Africa. Several times the head of our state mediated to settle conflicts between Mali and Bourkina Faso (previously Upper Volta), Senegal and Guinea, and other countries in that part of the continent. Last year Togo sponsored a conference devoted to preserving peace on Earth. We hold that our contribution augments what is being

done to this effect by the Soviet Union, and would like to ask the Soviet government to continue its persistent efforts to preserve peace. I hope that the peoples of the USSR and of the US will achieve mutual understanding and avert a holocaust. Peace and solidarity are our everyday slogans: peace for mankind, peace for Africa, peace for Togo.

— December 1984 marked the silver jubilee of the adoption by the UN General Assembly of the Declaration on Granting Independence to Colonial Countries and Nations. What can you say about the importance of that document for Africa, and about its achievements during that period?

— I will give you a purely African answer: for the time being we are poor but we are free! Colonisation had a highly adverse effect on Africa, Asia and Latin America. We still have to overcome a host of problems it engendered and we have achieved certain successes in this. Perhaps you even can't imagine what impressive changes have occurred in the majority of African countries during the past quarter-century. The colonialists failed to do as much within a century.

Togo renders firm support to those who continue to struggle for independence, meaning, first and foremost, the peoples of southern Africa. I think that the world public should be even more attentive to developments in that region. Of course, we count on the invariable support of the Soviet Union in the fight to eliminate colonialism and racism completely in Africa.

The Great October Socialist Revolution not only liberated the working people of Russia. It also marked the beginning of the liberation of all countries of the "Third World", the people of which are well aware that the world's first socialist state is today, as before, on their side. Our republic has always attached special significance to the development of relations with the USSR. For example, the Soviet Ambassador in Togo was for a long time the Dean of the Diplomatic Corps, although this was not to the liking of some representatives of the West. We assign the Soviet Union

one of the most important places in our policy, the place it deservedly holds in international affairs.

— What is the situation in Togo as far as the socio-economic sphere is concerned?

— Our country is not rich; its economy is in the stage of development taking into account local conditions, rather than somebody else's model. All Togolese peasants own land, can cultivate it freely and enjoy the fruits of their work. Our goal is that the people should not go hungry, that all Togolese become literate in the near future, and all people be happy. Such is the general line pursued by the country's leadership. The Party is assisted by the trade unions, which participate directly in making nationwide and local decisions. The first Secretary of the Trade Union Confederation is a member of the RPT Central Committee. In a nutshell, we work shoulder to shoulder.

Our region often suffers from droughts but in recent years Togo has fortunately not been hit. The food situation is quite normal, and within the limits of our possibilities we even give food to neighbouring countries, including Niger and Bourkina Faso.

— You are an architect. Would you like to say a few words about your impressions of the Soviet cities you have seen?

— Moscow is unique but—Muscovites, please forgive me—Leningrad impressed me even more. In Western Europe I love Venice, and I must say that Leningrad is its worthy rival. Its architecture is truly wonderful. The height of the buildings, their size, despite the scale of the city, are strictly limited, and this is amazing. Everything is in excellent condition, though Leningrad is not that young. All of us admired Frunze, the capital of Kirghizia, a Soviet Central Asian republic which is approximately the size of Togo. Frunze is much more beautiful than many Western cities that I have visited. One cannot help admiring it. Back home, I'll tell my colleagues: go to Frunze and you'll find much to learn there. My dream—as I told the Mayor of Frunze—is to spend a holiday in his wonderful city.

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THIRD WORLD ISSUES

SOME TRENDS IN SOCIO-ECONOMIC DEVELOPMENT

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 pp 78-80

[Article by Vera Burenina]

[Text]

In the 1960s and 1970s the Western press often described Kenya as a country exemplifying successful capitalist development in Africa, calling it a "showcase of capitalism" on that continent. However, impartial statistics testify not only to the upswings, but also to serious slumps experienced by the Kenyan economy.

In actual fact, up to the beginning of the 1970s or, to be more precise, during the first decade of independence, Kenya boasted the best economic indices in Africa. The annual average rates of the GDP increment reached six per cent. The produce of the commodity sector of agriculture—the main source of hard currency earnings—increased every year, on average, by five-eight per cent and in industry by 10-11 per cent. However, a number of Western scholars noted that this growth was not closely connected with that of the national economy. The above-mentioned impressive figures were due to the large inflow of foreign capital into Kenya, primarily from the TNCs. The expansion of the scope of their activities, Kenya's connections with the world capitalist market and some other factors (for example, the drought) later on adversely affected its economy.

By 1974 the GNP increment amounted to four per cent, while in 1975 it was only one per cent. The "tea" and "coffee" boom in the mid-1970s enabled Kenya to improve the situation somewhat (although the greater part of the profits went into the private bank accounts): in 1977 the GDP increment reached 8.6 per cent. The upsurge was however short-lived: in 1978 the above-mentioned index was 5.7 per cent, in 1979—3.5 per cent, and in 1980-1981—2 per cent.

Since 1972 a recession in agriculture has been observed; the growth rates in the commodity sector fell from 5-8 per cent to 2 per cent, whereas early in the 1980s they did not even reach one

per cent. For the first time the country encountered the problem of a food shortage. Its industry, which obtained 60 per cent of investments from the West, showed a 2 per cent rates of growth. (Footnote 1) (Noteworthily, these figures, which undoubtedly testify to the economic recession in Kenya at the end of the 1970s and the beginning of the 1980s are far from being the worst in Africa.)

The balance-of-payment deficit which had been constantly growing since 1977, became chronic at the beginning of the current decade (a "record"—\$900 million—was established in 1982). Annual inflation was 15-20 per cent.

By 1984 the overall situation had somewhat improved, although it was still to be a long time before a drastic turning point was reached. The GDP increment in 1983 was 3.9 per cent, and there was some improvement in agriculture and the manufacturing industry. No doubt the considerably increased inputs of hard currency from abroad, as well as higher world prices on Kenya's basic export crops, in particular tea and coffee, in 1983 promoted a relative improvement of economy.

It is quite probable that the revival may well prove short-lived. Even the Kenyan leaders themselves, such as G. Saitoti, Minister of Finance and Economic Planning, say this. In his opinion, the sizable sums of the government's debts at home and abroad create an extremely serious obstacle to a stable economic progress in the country.

Why did such an obstacle appear and what is the reason for the fluctuations in Kenya's economic development.

The developments and processes of the early 1980s are rooted in the 1960s when the doctrine of "African democratic socialism" was proclaimed Kenya's policy-making document. In actual fact, the course towards capitalism, whose foundations were laid back during the age of colonialism, was pursued.

Foreign capital was granted the best opportunities. The Kenyan leaders stated that successful co-operation between the state and the TNCs is quite real: only "honest production relations" between them are necessary, as well as the pledge by the Western partners to get "modest profits" and not interfere in Kenya's internal or external affairs.

It is quite clear that Kenya, like many other developing countries, was and continues to be interested objectively in financial aid from the West. However, this aid has many negative aspects and unfavourable consequences. More often than not, imperialist monopolies abuse the

right to freely export profits, which was granted them back in the early years of Kenya's independence. The tacit agreement on the part of the Kenyan ruling quarters interested in maintaining closest contacts with the TNCs (where they sometimes occupy well-paid top positions) is allowing the country to be plundered on a more extensive scale.

The expansion of the TNCs has been strangling national industry. According to the *Nairobi Standard*, the lack of competitiveness of the African enterprises is the most vital economic problem facing Kenya today. As a rule, the damage wrought to it by foreign monopolies ensues from the fact that the latter invest their capital in the most profitable branches like tourism and the raising of agricultural crops for export instead of industries with labour-intensive technology which Kenya badly needs itself.

While granting Kenya money, either with interest or "gratis", Western donors dictate their own terms. The London-based *Times* admits that, for example, the International Monetary Fund has imposed on the country rigid limitations regarding government expenditures and internal loans which largely increased unemployment. While giving Kenya a regular portion of financial aid, Britain "recommended" that the Kenyan leaders stop the implementation of the development programmes in rural and urban areas and spend the money thus saved on improving the balance of payments. The devaluations of the Kenya shilling, carried out on the insistence of the donors, are bringing about a further rises in the price of consumer goods and reducing the real wages, that is, they are leading to a lower standard of living for the ordinary people.

Of late, the biggest loans and investments have come from the USA. For example, in 1982 it doubled its "aid" to Kenya, and American private capital investments reached \$350 million, ranking second only to British investments.

The United States and some of its NATO partners devote particular attention to Kenya, regarding it as a military-strategic bridgehead of imperialism on the approaches to the Middle East and in the Indian Ocean.

When a food crisis hit the country in the early 1980s, President Moi asked Washington for help. The latter gave Kenya 165,000 tons of grain which entailed further beefing up of US military and political positions in the country. An agreement was concluded in 1980 which provided for the Pentagon's "broader access" to the Moi International Airport in Mombasa (the second largest airport in Kenya) and to that city's sea port, which is the biggest in East Africa. The Americans spent more than \$50 million modernising the

port to enable nuclear aircraft carriers to call at it. The US Air Force obtained a base in Nanyuki, whereas the Navy got a base in Mtongwe. According to local observers, the infrastructure for the US "rapid deployment force" is being built.

This policy pursued by the United States is causing growing discontent in Kenya. Progressive citizens, particularly youth and students, disapprove of the building of US bases in the country. The government ignores their opinion, however.

Casting a glance back over the 20 odd years of Kenya's development after it won political sovereignty, it may be said that for the majority of Kenyans who suffered from the economic slump at the end of the 1970s and the beginning of the 1980s the situation was even further aggravated by the chronic state of the land problem and employment.

The extremely acute land issue, for a just solution of which the "Mau Mau" rebels were fighting prior to independence, continues to loom large. Apart from the high rates of population growth (four per cent) and the limited area of fertile land, the issue is being further exacerbated by the preservation in the countryside of vast, sometimes uncultivated, areas belonging to Europeans and rich Africans, and also the machinations with the plots of land and profiteering by the so-called land companies.

The latter, headed by Kenya politicians and businessmen, swindle the peasants out of their money and buy plots of land which are often not assigned for sale, i. e., those belonging to schools, hospitals, and children's playgrounds. Having resold them to local bosses or TNCs they obtain billions of shillings in profits which they place on long-term accounts in banks. In the final analysis, it is, of course, the directors and not "shareholders" who stand to gain.

There was a case recently which attracted the attention of the Kenyan public when representatives of the upper crust hired unemployed people, described them as landless peasants, obtained land from the government, which they later resold at higher prices.

The local press reports concerning the more frequent fights between landless peasants and landowners show how acute the land issue is in Kenya today. For example, in April 1983, the Nairobi-based paper *Taifa Leo*, published in Swahili, carried a report on the front page that 500 squatters had attacked the plantation of a white owner. About 50 squatters simply settled there, claiming that the land belongs to them by right.



Kenyan leaders themselves note with alarm that such conflicts assumed the character of "total war". This new phenomenon graphically shows that the class struggle in the countryside is mounting.

Having lost any hope of freeing themselves of poverty, the landless peasants migrate to the towns in search of jobs. However, the number of jobs there is growing at a much lower pace than the army of unemployed. About 250,000 people migrate to towns every year (200,000 from the countryside) but only a few of them succeed in finding job: for example, in 1981, only 18,500 managed to find work.

The "tripartite agreements" concluded on the initiative of the government between the state, employers and workers and assigned to increase employment fail to bring about tangible results. The selfish essence of private enterprise which counterposes its interests to those of the nation, is revealed once again. Unemployment, particularly in towns, is truly the problem of problems in modern Kenya. From 1971 to 1982 the number of officially registered fully or partially unemployed increased from 200,000 to more than four million (out of Kenya's population of 17 million).

The life of ordinary Kenyans is very hard. To get a clearer idea of their life, suffice it to recollect the example cited by the authors of *Independent Kenya*, a collection of articles published in London: for many citizens even a cup of tea with sugar in it is a luxury.

Those who have a temporary job or the low- and medium-paid categories of the working people cannot boast that they live better than the landless peasants or the unemployed because inflation hits them particularly hard. Of late, their real wages have dropped sharp, whereas the working day is often 12 hours.

The wealth of a handful of local *nouveaux-riches*—owners of thousands of acres of land, hundreds and thousands head of cattle, private residences, hotels and roads—stand out in an especially bold relief against the background of mass poverty. The acute polarisation of Kenyan society which stems from the government's socio-economic measures, in particular the elaboration and implementation of the national development plans, as well as agrarian, budget and tax policies, and also the policy concerning wages, are causing alarm and indignation among the Kenyan public and political figures. O. Aringo, MP, justly noted that instead of planning in the interests of the whole people, the leaders of Kenya draw up national plans in their own interests. Kenyan public figures express dissatisfaction with the aspects of the policy pursued by the ruling circles, which further widen the gap between those

who have and those who have not. Although the critics sometimes pursue their own selfish interests, seeking to win potential votes, their speeches objectively help citizens to understand the nature and goals of that policy.

The aggravation of socio-economic problems and the lower standard of living is a direct outcome of the path of social development opted for by the ruling quarters in Kenya. In a certain sense the bourgeois propaganda is right: Kenya may truly be called a "showcase of capitalism" in Africa with all vices and evils of that system.

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THIRD WORLD ISSUES

MALAYSIA'S SOCIOECONOMIC PROBLEMS NOTED, SOLUTIONS SUGGESTED

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 pp 81-84

[Article by Dmitry Kosyrev: "In Search of a New Identity"]

[Text]

Malaysia -- a country situated in Southeast Asia on the Malay Peninsula and the island of Kalimantan -- had pulled through the 1970s relatively calmly. Moreover, the period was marked by certain successes in economic development. The early 1980s, however, have witnessed the emergence of complex processes in Malaysian society. Outwardly, these processes included, among other things, debates over Islam, the constitutional crisis caused by disputes over the role of the supreme head of state, an economic reorientation from Britain to Japan, and the general "turn East" policy line. These processes and concomitant events are often very peculiar in their content. The reason is obvious: Malaysia is indeed a specific state, if only in the varied national composition of its population, a left-over from the period of colonial domination.

Malaysia, a former British crown colony, which the colonialists gradually conquered from the late 18th century onwards, became independent on August 31, 1957. (Footnote 1) (It was then called the Federation of Malaya and included Singapore, which became independent in 1965. In 1963, a state called the Federation of Malaysia was formed, which included Sarawak and Sabah on the North coast of Kalimantan.) Its population is comprised of three main ethnic groups, the proportions of which have not changed over the years of independence: Malays comprise about half the population, Chinese more than a third, and some ten percent come from Hindustan. There is also the indigenous population of Sarawak and Sabah (known under the generic name of Dayaks), plus other ethnic groups.

This ethnic variety stems from the economic policies of the British, who encouraged Chinese to migrate to Malaysia *en masse* and open up businesses there, while Indians were tempted to come and work on the new rubber plantations. The British also needed the cheap labour power of Chinese coolies, who were employed in tin mines. Many Chinese workers also laboured on rubber plantations. Politically, the British preferred to rely on traditional Malayan sultan rulers and on the Malayan aristocratic upper crust.

Today, too, Chinese make up a considerable part of the urban population (businessmen, dealers and tradesmen, professionals, workers and artisans). The small Indian community is almost in the same position, the only difference being that the share of businessmen, civil servants and professionals is smaller, while that of workers -- bigger. Malays

live predominantly in the countryside. As of 1980, the share of Malays in such professions as engineering, medicine and architecture was 10, 7 and 9 percent, respectively, but the administrative apparatus, the army and the police are dominated by Malays.

Thus, a unique situation has developed: the working class and peasantry, the entrepreneurial class, and the bureaucracy belong to ethnic groups with totally different languages, religions and traditions.

This specific situation is reflected in the system of government. Malaysia is an elected constitutional monarchy. The head of state—supreme ruler—is elected for a five-year period from among nine Malayan sultans by the sultans themselves. Sultans are hereditary rulers in nine states out of the total thirteen. In the remaining four states (Sarawak, Sabah, Malacca, and Pinang), with their predominantly non-Malayan populations (Dayaks and Chinese), there are no sultans. Their functions are performed by state governors appointed by the supreme ruler. Naturally, they do not have voting powers when a new head of state is elected.

A Western-type system of parliamentary democracy also functions in the country. General elections to a bicameral parliament are held once every five years. In our day, a bloc of 11 parties—the National Front—enjoys an overwhelming majority. The bloc's main party is the United Malay National Organisation (UMNO), which has been in power since independence. The party's chairman automatically becomes the country's Prime Minister. UMNO represents the interests of a broad cross-section of the Malayan national bourgeoisie, feudal circles and bureaucracy. Its main partner in the National Front is the Malaysian Chinese Association (MCA), which represents the interests of the Chinese bourgeoisie and white collars. The Indian Congress of Malaysia is another major political party within the Front.

This system ensures advantages for the indigenous population—the Malays. Yet, the preponderance of Chinese in private business and other sectors gives rise to serious frictions and even conflicts. For instance, the election campaign in the spring of 1969 ended in serious disturbances (mainly in the capital city of Kuala Lumpur). The central issue was the proprietary and political inequality of the various ethnic groups. The rioting, various sources claimed, resulted in many deaths—from dozens to hundreds. Following the crisis, the Prime Minister resigned and the constitution was suspended. That was when the National Front, which included many more opposition parties, was created.

When the five-year national development programme for 1971-1975 was discussed, the government set itself the task of ensuring that, by 1990, the indigenous population (*bumiputra*, i. e., "sons of the land") would account for 30 percent of the national wealth. The implementation of this task was called a new economic policy. Specifically, this means that Malays throughout the country should own 30 percent of the stock capital. (The *bumiputra's* share increased from 2 percent in 1970 to 18.3 percent in 1983.) Forty percent belongs to non-Malays, and 30 percent to foreign capital. The new economic policy also sought to reduce the number of poor people throughout the country. Simultaneously, the *bumiputra* were granted new electoral privileges and easier terms for admission to higher educational establishments.

The government began implementing all these measures quite resolutely, which prevented a crisis similar to that in 1969. Yet some alarming tendencies have been cropping up in Malaysia's society in recent years, largely owing to a more precarious economic situation.

Malaysia has scored certain economic successes over the years of independence. It is one of the group of nine developing countries called "new industrial states", meaning that the group is very close to Western capitalist countries in many indices. Per-capita income is the chief indicator, placing Malaysia fourth among the young states of Asia and seventeenth in the developing world at large.

Export of raw materials is the basis of Malaysia's economy. The country is the world's biggest producer of tin and natural rubber (31 and 40 percent, respectively). Relatively recently it has also become a producer and exporter of oil and gas. Oilfields were found on the eastern coast of the Malay Peninsula, in Sarawak and Sabah, and also on the maritime shelf. Malaysia also exports farm produce, palm oil and valuable types of timber. Export earnings have made it possible for the government to build several economic development projects in the 1960s and 1970s, including in raw-material processing, the infrastructure, etc.

In the 1960s, the country's economy developed on a classic colonial basis: 60 percent of export earnings came from rubber and another 17 percent—from tin. In the early 1980s, however, oil accounted for 29 percent of revenues and the processing industry—for nearly 20 percent.

UMNO's economic strategy is clearly geared to developing along capitalist lines and staying within the capitalist world economic system. This one-sided orientation makes Malaysia's economy vulnerable, because it rests primarily on export revenues, which made up 52.2 percent of the GNP in 1983.

According to *Far Eastern Economic Review*, Malaysia's economy is "too open to sustain the whims of the world economic cycle". This is borne out by its fluctuating economic development rates, which mirror the boom-and-crisis pattern of Western economies. In the early 1980s, when another slump set in in the USA and other leading capitalist countries, Malaysia's economic growth rate went down to 3.2 percent—a dramatic drop from 7 percent in the period between 1961 and 1976. Foreign investments also dropped, as did the prices of exported raw materials. Whole industries got bankrupt, particularly tin extraction: tin production decreased to 51,000 tonnes in 1982 and dropped to as low as 39,000 tonnes in 1983.

The slowed growth rates and shrinking budget revenues have had an immediate effect on government development programmes: relevant outlays were cut by 3 percent in 1982, 11 percent in 1983, and 26 percent in 1984. The problem of the foreign debt has also emerged. Though, in absolute terms, it is not very big, in 1984 alone its servicing consumed sums that exceeded the budget appropriations for education or defence (the biggest outlays in the budget). A pile-up of negative economic changes has resulted in negative shifts on the country's political scene.

The problem of poverty has intensified. In the period between 1982 and early 1983 alone, as many as 200 tin mines were closed down as a result of falling tin prices and a crisis in the tin industry. In 1982, as many as 20 percent of tin industry workers were laid off. The rubber industry faces similar problems. The sagging rubber market is ruining small-scale producers, who account for 62 percent of the total output of this valuable raw material. All in all, in 1983 30.3 percent of the population on the Malay Peninsula found themselves on the other side of the official poverty line (compared with 29 percent in 1980). In agriculture, however, the leap was even greater: from 34.7 percent in 1980 to 41.6 percent in 1983. The corresponding figures for rubber plantations were from 41 to 61 percent.

The growing poverty problem (especially in the countryside) has aggravated the negative consequences of disintegration processes within the traditional Malayan community, caused by the development of capitalist relations. This has brought about a spread of conservative trends and Islamic fundamentalism, on the one hand, and erosion of traditional attitudes and moral standards and the aping of Western mass culture, on the other. (Admittedly, these processes, albeit to varying degrees, have also involved the urban population, irrespective of national origin.) UMNO's leaders seem to regard all this as being the harbinger of a possible crisis in the not so distant future (if not as a looming tragedy).

Not surprisingly then that beginning in the early 1980s, Kuala Lumpur has been making varied efforts of a clearly preventive nature in a bid to ease contradictions. Most indicative are the activities of the present-day cabinet, headed by Mahathir Mohamad who succeeded former Prime-Minister Hussein Onn (who retired for health reasons) in the summer of 1981.

The government has primarily stepped up its activities in connection with Islam. Islam, the religion of the Malay-an section of the population, was also declared the official religion. Discussions over the role of Islam in society are now growing into heated debates over old and new values, traditions and, once in while over politics. Moslem preachers of all hues and colours have revitalised their activities. Street processions with religious activists voicing their appeals, and praying sessions with prayer-recorded cassettes have become frequent phenomena.

These activities are largely guided by the opposition Party Islam Sa-Malaysia. (PISM) which, sensitive to the shift in the public mood, has resolved to confront the ruling UMNO party. The PISM accuses UMNO of "deviating from Islam" and being "insufficiently loyal" to it. It is this party that rallies those who criticise the government from a traditional, "communalistic" position. Malayan in its national make-up, the PISM calls for an Islamic state to be established in Malaysia.

The parliamentary elections held in the spring of 1982 were not a success for the PISM (it has only five MPs). Yet the party holds strong positions in the hinterland, primarily in the north-eastern states, which are less developed economically and predominantly populated by Malayan peasants (Kedah, Kelantan, Perlis, and Trengganu). Passions flew so high at meetings and gatherings organised by the PISM that, in August 1984, the government banned all political meetings in those states. The authorities noted that, at such meetings, PISM activists called for a "holy war against the non-Islamic government", incited their backers to amass weapons and obstruct the government and the police.

The Islamic fundamentalists pose a serious problem to the government. On the one hand, it seeks to wrench from its opponents their main weapon—religion—and turn it against them. To this end UMNO has declared itself the country's leading Islamic party. Recently, Malaysia's government-controlled television has started giving four hours of its daily broadcasting time to live coverage of Koran reading contests. Every day it broadcasts prayers, Islamic recitals and lectures. The government has declared the establishment of an Islamic bank and university. On the other hand, the government cannot ignore the fact that Malaysia is a multinational state, with several religions, and an outburst of Islamic extremism would therefore be perilous.

Similarly symptomatic of the present-day situation in Malaysia was the constitutional crisis generated by disputes over the role of the sultans, the country's traditional rulers. The conflict developed in the winter of 1983-1984 and involved the right of the supreme ruler not to sign bills passed by Parliament. According to the constitution, a bill can only become a law once the supreme ruler has signed it. Normally, supreme rulers give their consent to the adoption of all bills. Yet the government submitted amendments to the constitution, specifying what would happen if the tradition was broken and some bills were not signed by the supreme ruler. It was suggested that, even in that eventuality, the bill should become a law. Essentially, this amendment would finally accord the supreme ruler a merely symbolic role. (Among other things, one amendment said that the right to declare a state of emergency would be vested in the Prime Minister, rather than in the ruler.)

The then head of state did not, however, agree to the amendments, which would curtail his powers. The very fact that such a situation has developed at all and the passions it has sparked off showed that the cabinet feared that even more serious contradictions might emerge in Malaysian society. Mohathir Mokhammad's cabinet has clearly opted for conflict as a preventive measure, fearful that, in the future, some opposition forces might use the ruler's prerogatives in their anti-government struggle, the more so since, according to press reports, hints are being made that something like that might indeed happen, especially in the hinterland where sultans play an important role as traditional leaders of the Malayan community. What really counts is the fact that the sultan is the head of the Islamic church in his relevant state.

After protracted debates, a compromise was reached. The head of state retained the right to declare a state of emergency. As regards bills, as of now, the supreme ruler has the right to send them back to Parliament for another round of debates and possible amendments, following which they become law even without his signature.

The government has thus scored a victory, albeit partial, especially in the context of another important issue that has been raised by the constitutional crisis, viz., who stands higher: the sultan or the government. In other words, the political struggle, as in the case of Islam, is taking on an ideological hue.

The cabinet's other actions are also ideologically tinged. Specifically, among the first were measures to do away with the remnants of Malaysia's dependence on the former mother country — Britain, with which Malaysia still maintains economic, political and cultural ties. It was not until January 1985, when a Supreme Court was established in Malaysia, that the country had finally rid itself of its courts' formal subordination to British justice. In certain cases Malays can appeal to Britain's Privy Council, as the highest instance.

Most striking, however, was Malaysia's economic dependence. In the early 1980s, Britain was still the leading investor in the Malayan economy, especially in traditional branches, such as the tin and rubber industries (foreign property has not been nationalised in Malaysia). In practice, Malaysia was a sort of "economic preserve" for British business, at a time when US and Japanese capital has ousted the former colonial masters from the other countries in the region.

In the autumn of 1981, a mere two months after the new Malaysian government came to power, a historic "dawn raid" was staged at the London Stock Exchange: immediately after its opening, agents from a Malaysian government investment company bought up a controlling block of shares in the London-based Gatri corporation. As a result, one of the biggest and oldest companies owning rubber plantations in Malaysia, has changed masters.

London's reaction was tough, albeit belated. New rules for stock exchange dealings were urgently introduced. Yet the "dawn raid" was not an isolated episode: Gatri's fate was soon shared by Dunlop Rubber, whose shares were also bought up by a Malaysian investment company, and by some other firms. As a result, by October 1981 Britain's monopoly in the Malaysian rubber industry had virtually come to an end.

Note, there was no nationalisation: Kuala Lumpur had simply bought out its rubber industry from the British. Nothing of the kind has ever been done before, so the psychological effect of these first actions by the new government was indeed, great, to be amplified by similar new measures. Malaysia set out to break the established "buy British first" practice. Soon after the "dawn raid", the government established control over all agreements concluded with British firms. The press asserted that all companies in the country had been advised against signing new agreements with the British. Yet the official instruction was different: all British tenders (involving exclusively government contracts) were to be considered on equal terms with offers from other countries.

Even so, in 1982 the volume of Britain's exports to Malaysia exceeded the 1981 level. The anti-British measures that have made the new government so popular, in no way meant a complete breach of relations with the former colonial power. The British still occupy strong positions in many branches of the Malaysian economy. The conflict was gradually settled, but no one can deny that Kuala Lumpur has struck a blow at the most prestigious symbols of British domination.

The British are not alone to suffer: the Malaysian leaders keep attacking "Western colonialism" in general. One of their targets is the United States, which is steadily undermining Malaysia's positions as a tin producer by dumping its so-called strategic stock surpluses. Of late, Kuala Lumpur has frequently been taking on the role of spokesman for the Association of South-East Asian Nations (ASEAN) criticising on its behalf the economic policies of the West.

It would be wrong, however, to believe that the government in Kuala Lumpur had decided to lead Malaysia away from the capitalist system of world economy. The Prime Minister reminds: "Our economy was and remains intimately tied in with the West. Our well-being and development depend on the West."

The active undoing of the "special" relations with the former colonial power is, above all, a propaganda exercise. Malaysia has decided to counter these relations with a "turn East" policy, meaning primarily Japan. This course was announced almost immediately after the launching of the anti-British campaign.

Essentially, the new policy line has two aspects: economic and political. As for economics, prior to 1981 Japan was already the second biggest foreign investor in Malaysia, even without any programmes or slogans. (Incidentally, at that time Japan accounted for 44 percent of the foreign capital in the ASEAN countries in general.) Japan still imports almost 100 percent of the tin and rubber it needs and nearly half the timber from Southeast Asia. Note that Malaysia is the main exporter of these raw materials in the region. So, in declaring its "turn East" policy, in calling for an increase in Japanese loans and investments, and in urging Japan to speed up the transfer of high technology, Malaysia was, in fact offering to continue the former relations, but on a more equal footing.

Tokyo heeds these calls, but this has nothing to do with satisfying Malaysia's national interests. As of now, Japanese business has dramatically stepped up its expansion in Malaysia. It has taken over key positions in whole industries and continues to block the export of Malaysian manufactured goods. In 1985, Malaysia's trade deficit with Japan was expected to double over last year. In 1984, for example, 84 percent of Malaysia's exports to Japan consisted of crude oil, timber, tin, and rubber.

Still aligning themselves with the capitalist world, the Kuala Lumpur leaders are looking for ways to set off "Eastern values in general" against "Western values in general". This search for a new identity shows that Malaysia is living through a difficult period in its development.

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THIRD WORLD ISSUES

BOOK URGES AFRICAN COUNTRIES' CONTROL OVER OWN RESOURCES

Moscow ASIA AND AFRICA TODAY in English No 1, Jan-Feb 86 p 91

[Review by Ruben Andreasyan of book "The Raw Materials Policy of the African Developing Countries" by L. N. Aksyuk, Moscow, Nauka, 1984, 224pp]

[Text]

Optimal use by the newly-free countries of their natural resources, above all minerals and raw materials, is of great importance for the protracted and complex process of smashing the colonial economic structure and developing their own productive forces on an industrial basis. For many backward countries, the extraction and export of minerals and other raw materials constitute essentially the only way towards the accumulation of capital.

Under these conditions, analysis of the formation and efficiency of the African developing countries' raw-materials strategy at home and abroad acquires primary importance. It should proceed from the technical and economic specifics of those countries' mining industries. This analysis is the subject-matter of the book under review.

While studying the measures taken by African governments to establish national sovereignty over natural resources and to limit the rights of foreign capital in mining industries, the author by no means recommends that foreign concessions be eliminated as soon as possible. Having neither the money nor enough experienced personnel, the African countries hold very sober views on the matter, without overlooking the ultimate objective.

Aksyuk (the author of the monograph) points out that the most developed group of African states has restored national sovereignty over their mining industries. This group has re-

duced the foreign companies' role to participation in various projects. In these cases, the state is responsible for the entire range of operations—the exploration, extraction, processing and export of minerals. Underdeveloped African countries are unable, so far, to produce mineral resources without outside assistance. For this reason they strive to apply legal norms and introduce economic regulations to control the activity of foreign companies. Analysing these measures, the author takes into account the specifics of the mining industry in that it deals with limited, shrinking resources, the prices of which include various kinds of rent.

Of much interest is the author's analysis of the efforts exerted by African states to make the mining industries contribute growing amounts to their national economies, primarily through the step-by-step processing of minerals right on the spot.

In the framework of the new, emerging structure of the international capitalist division of labour, the transnationals prefer to set up, in a number of developing countries, industries dealing with the primary processing of minerals or producing commodities of intermediate demand. They invest capital in manufacturing industries, such as machine-building and electronics. The TNCs locate their factories in countries ruled by strong pro-Western regimes, where labour is relatively cheap, and yet skilled, all this raising monopolists' profits.

Such conditions do not exist, however, in most of Africa's independent states, and for this reason the TNCs strive to perpetuate the developing countries' role as raw-material appendages to the capitalist centre.

The Soviet Union is guided by absolutely different principles. The author proves that the USSR assists African nations in constructing enterprises in key industries, and in training national personnel. This orientation of Soviet assistance helps to create industrial complexes within the state sector of the African countries, cement and expand the socio-economic and material basis of their raw materials policy, and to promote progress in their economies.

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WESTERN EUROPE

CONTINUED ATTACKS ON WEST GERMAN 'SLANDER' ABOUT AFGHANISTAN

Tallinn SOVETSKAYA ESTONIYA in Russian 27 Sep 85 p 4

[APN article by V. Ostrovskiy: "Queuing Up For Slander"]

[Text] The West German illustrated weekly STERN which is extremely proud of its operational capabilities, has found itself at the tail end of things this time, because it published its slanderous fabrications about the activities of the Soviet forces in Afghanistan after similar statements by FRG television were exposed as an outrageous distortion of facts. Safulla Gurnany, one of the bandits arrested in the province of Herat told how films of this kind are made. He states, that after the usual raid by the dushmans on one of the peaceful Afghan villages, two "advisors" - one American and one German from the FRG - turned up among the raiders and filmed the homes demolished by the guerillas, the bombed motor vehicles and the bullet-ridden bodies of the peasants. Subsequently, all this was broadcast on Western television as "documented evidence of the brutality of the Reds."

True, in STERN they were either ashamed to or decided not to print similar stories. Under "Forbidden Photos From Kabul," as the weekly announces in big letters, there appeared on its pages, photos designed to make an impression on the West German readers. Soviet soldiers at a souvenir stand on one of Kabul's streets. Soviet armoured vehicles on the move. What, it would seem, is the sensation?

However, "authentic photographs" from Kabul, obtained supposedly at risk of life, are only a bait. And the hook on which they want to ensnare the reader is the commentary under the photographs written by the editor-in-chief of STERN, Rolf Winter, and the Moscow correspondent, Mario R. Diedrichs. Both, in essence, suggest that the readers not believe their own eyes. They employ the complete collection of stock propaganda techniques of the reactionary gutter press of the West on ordinary photographs.

"Splattered blood speckled the wall. On the wall were a dozen, or maybe two dozen bullet holes - who was counting? The murderer finished the job off with a bayonet." No, this is not a quotation from the text of Winter and Diedrichs' commentary. We simply quoted, as an illustration, "A Novel of Horrors" published in the same issue under the the rubric of "Cemetery of Plush Playthings." It has the same degree of authenticity, the same strong, foreign accent.

Nevertheless, there is no doubt that this accent was heard in the FRG media in their attacks on the Soviet soldiers serving in the limited contingent stationed in the Democratic Republic of Afghanistan at the request of that country's government. It is no secret, of course, that the well-known circles of the FRG never stand aloof from American aggression in Afghanistan, which is carried out at the hands of the dushmans. At a press conference in Kabul the journalists were shown many weapons of West German manufacture, which had been captured by soldiers of the Afghan army who fought against the bands of dushmans. Among the latter who have illegally entered into the territory of Afghanistan from Pakistan are not only Bundeswehr specialists such as Major E. Kotniy, a participant in the guerilla assault on the power station network of the city of Jalalabad, but also a member of the leadership of the CDU, the Bundestag deputy, Jurgen Todenhoffer. So that it is not necessary to accuse other West German leaders of complicity with the dushmans, they thrust themselves into this shameful role. And all of the current splash of anti-Afghan and anti-Soviet hysteria on the Rhine is clearly inspired from beyond the Atlantic. It is no accident that this followed the decision of the U.S. congress to allot half a million dollars for propaganda against Afghanistan.

In Washington, of course, they would very much like to create a psychological counterbalance to the image held by millions of people everywhere in the world, including the FRG, that the USA is the center of terrorism. And if they are not able to prove themselves innocent, then they will not be able to slander others, introducing violence and cruelty, flouting the sovereignty of people's and the rights of man that should be observed by any superpower regardless of its social nature, aspirations and goals. In his introduction to the "Photo Report From Kabul," Rolf Winter also argues in this same way; and his correspondent in Moscow, Mario P. Diedrichs, with the air of an extremely well informed man, echoes his chief, though he need not have made the long journey from Germany to Moscow in order to do that.

Inevitably, this question suggests itself, how did such a magazine aspire these many years to the reputation of a liberal magazine which has published quite a few brilliant materials serving to strengthen peace and mutual understanding between peoples? Without pretense to exhaustive clues in regard to this phenomenon, we refer to the scandal with the so-called Hitler diaries, heralded as the journalistic sensation of the century. As is known, they turned out to be a "forgery," stealthily put out by falsifiers from the neo-nazi camp whose motives were not limited to the desire to grab a few million marks, but also to help STERN. However that may be, the circulation of the weekly began to decline, and this, naturally, did not improve its financial situation. So, isn't the present management of the magazine trying to correct matters at the cost of serving American wishes.

The ways of "free" and "independent" Western journalism are inscrutable indeed.

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WESTERN EUROPE

ITALIAN TU LEADER ON USSR TIES

PM141153 Moscow TRUD in Russian 13 Mar 86 p 3

[Interview in Rome with Antonio Pizzinato, secretary general of the Italian General Confederation of Labor, by TRUD special correspondents P. Negoitsa and V. Prokofyev, under the "Trade Union Movement" rubric: "The Italian General Confederation of Labor: Before the Offensive"--date not specified]

[Excerpts] Rome, Moscow--At the 11th Congress of the Italian General Confederation of Labor [CGIL] held in Rome at the beginning of March Antonio Pizzinato was elected secretary general of Italy's largest trade union center. On the eve of the congress TRUD's special correspondents met with him and asked him a number of questions.

[Negoitsa, Prokofyev] How do you view the state of contacts between Soviet trade unions and the CGIL?

[Pizzinato] We support the development of bilateral relations with trade unions in all countries of the world. As for ties between our trade union centers, the importance should be noted of the visit to the Soviet Union at the end of last year and the beginning of this by a representative delegation of the CGIL. We hope for the further development of contacts.

On the broader plane I should like to emphasize our desire to help establish relations among trade unions affiliated to different international trade union associations. However, worldwide trade union unity does not come about of its own accord. In this area it is necessary to proceed from concrete problems such as environmental protection and the influence on the environment of scientific and technical achievements and also the struggle for peace and the release of resources now being channeled into the arms race for use for the good of mankind.

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CSO: 1825/53

EASTERN EUROPE

POLISH OFFICIAL VIEWS SCIENTIFIC LINKS WITH USSR

PM131401 Moscow PRAVDA in Russian 11 Mar 86 First Edition p 4

[Article by Z. Szalajda, deputy chairman of the Polish Council of Ministers and chairman of the Committee for Science and Technology: "On a Firm Basis; Scientific and Technical Progress in Socialist Countries"]

[Text] Warsaw--Polish-Soviet scientific and technical cooperation has a rich tradition. It dates back to 5 March 1947 when the first agreement between our two countries was signed. However, the Treaty of Friendship, Mutual Assistance, and Postwar Cooperation was concluded even earlier, in April 1945. Thus, as soon as part of our country was liberated by the Soviet Army and the Polish Army which fought side by side with it, the USSR began to provide all-around assistance in the restoration of our national economy, four-fifths of which had been destroyed. Furthermore, the fascists had wiped out most of the national scientific, engineering, and technical cadres and inflicted great damage on the scientific research and planning and design base.

The contribution of the Land of the Soviets to Poland's industrialization, to the restoration and development of our scientific research base, the system of high education, and the training of technical cadres was truly great. Our people will never forget this. Now, thanks to the development of its own scientific and technical potential, our country has become the USSR's major partner in the sphere of scientific and technical cooperation.

Today, our countries are jointly advancing along the road of scientific and technical progress and preparing to enter the 21st century together. A crucial debate on this topic was held at the 27th CPSU Congress which has just ended. The long-term program for the development of economic, scientific, and technical cooperation between the USSR and Poland for the period through the year 2000 and the comprehensive program for the scientific and technical progress of CEMA member countries have initiated a new stage in Polish-Soviet relations which is great political, economic, scientific, and technical significance. Another cornerstone has been laid in the firm basis of strengthened mutual economic cooperation, the strategy of its further development has been defined, and reliable treaty foundations have been created for its expansion and deepening.

These programs are of great importance for Poland for the additional reason that they provide our country with a guarantee of security in international

economic relations for political purposes. It was precisely these factors for which, as is known, Poland had to pay dearly in recent years.

We are not capable of overcoming single-handedly our country's lag behind technically advanced states. Only the profound link between the Polish economy and the long-term scientific and technical development plans of the USSR and other CEMA member countries provides the guarantee of our advancement along the main avenues of the scientific and technical revolution.

The fraternal countries have all that is essential: a powerful production, scientific, and technical base, natural resources, and cadres. The play system enables them to introduce scientific and technical achievements in production free from the mechanism of capitalist competition. Thus it will depend on us alone, on our cooperation, and what use we make of this potential to accelerate effective national economic development and enhance the living standards of our countries' populations.

Polish-Soviet programs define the priority avenues of the development of scientific and technical cooperation. We have outlined seven key tasks whose implementation will guarantee the fuller satisfaction of both sides' socio-economic requirements. Above all there is the widespread introduction of electronics in the national economy. Furthermore, there are the comprehensive automation of production, the development of nuclear power generation and complete satisfaction of requirements in the sphere of fuel and energy, the development of new types of materials and technologies, and development of machine building, the development of biotechnology and the agrarian and food complex, and the development of the production of high-quality consumer goods.

The scale of these programs is unprecedented in the history of our relations. In accordance with them we will resolve 85 problems of which 4 span the entire "research, development, and application" cycle and are being specifically monitored by both countries' Committees for Science and Technology. They include the development and introduction into production of a new generation of self-propelled cranes, a new generation of hydraulic couplings and brakes, 3.5 metric-ton trucks, and color television receiving sets using digital equipment whose series production is to begin in 1988.

Various forms and methods are used in implementing large-scale Polish-Soviet cooperation. The development of a new type of crane through joint efforts can serve as an example of successful cooperation. The "Famaba" construction machinery plant in Glogow has been manufacturing this type of equipment for a number of years on the basis of blueprints supplied by the Kobylec Institute. The enterprise specializes in the production of self-propelled cranes of which 50 percent are earmarked for exports. The volume of exports will increase considerably next year, as will the number of clients. A Polish-Soviet agreement which provides for the manufacture of a new type of crane with a hoisting capacity of 250 metric tons is to play a special role in this. The crane jibs will be manufactured in Glogow, while the underframe will be produced at plants in Chrzanow and Labedy. The Soviet side will supply the revolving mechanisms and see to their installation on specially designed machines.

The underframes for the heaviest models in this series of cranes will also be manufactured in the USSR.

The example I have cited illustrates the advantages of direct cooperation between production enterprises. Direct contacts between workers and scientists and exchanges of experience are of tremendous importance. And although this new form of cooperation is currently in its initial state, its positive influence can already be seen.

In 1984 there were 54 pairs of Polish and Soviet enterprises which engaged in direct cooperation. In 1985 23 more enterprises on each side joined in this sort of cooperation. Most of the partners have signed long-term agreements and programs which provide for the deepening of links in the sphere of specialization and production sharing, enhancement of output quality, joint development of new designs and technologies, and elimination of the dependence on imports from capitalist countries.

Bilateral cooperation programs have, for instance, been signed by such major economic units as the Mazowsze petrochemical plant and the "Polimir" association in Novopolotsk, the Bydgoszcz "Organika-Foton" photochemical enterprise and the Leningrad "Pozitiv" plant, and seven Polish automobile industry enterprises and enterprises of the USSR Ministry of the Automotive Industry.

The foundation and base of production and technical cooperation is provided by collaboration in the scientific research sphere. It is already being implemented by the Polish Academy of Sciences and the USSR Academy of Sciences, and the two countries' higher educational establishments, sectorial scientific research institutes, and industrial enterprise research and development centers.

It is planned to establish joint design bureaus, research institutes, and laboratories, and to exchange scientific and technical documentation. The possibility of a quick turnover in the sphere of subassemblies and assemblies, materials, and technological prototypes is envisaged. Exchanges of specialists and experts are also planned. It has been decided to hold annual conferences (alternately in the USSR and in Poland) of leaders of organizations engaged in direct cooperation.

As a result of the achievements of the main targets set by the long-term programs, it is planned to obtain a substantial technical and economic effect, particularly in the sphere of labor productivity growth, improvement of the technical standard of goods, and savings of materials and energy and to improve other scientific and technical indicators.

We believe that the new forms of cooperation open up great opportunities for individual enterprises and scientific research organizations to show their initiative. This is why the PZPR leadership and the Polish Government are attentively following the implementation of long-term programs and creating the conditions necessary for the rapid and complete implementation of the set targets.



The system of economic levers to stimulate scientific and technical research and the introduction of its results in practice which is currently being elaborated will also be of great importance here.

At present, key problems and methods of the implementation of long-term programs, and primarily those for 1986-1990, have been clarified and coordinated. Some 26 problems have been defined in the sphere of the widespread introduction of electronics in the national economy, 4 in comprehensive production automation, 11 in ensuring the complete satisfaction of the two countries' requirements for fuel and energy, 14 problems in the development of new types of materials and technologies for their production, 4 in the development of biotechnology and the food complex, 9 in machine building, and 7 in the development of the production of consumer goods.

The Comprehensive Program for Scientific and Technical Progress of CEMA Member Countries Through the Year 2000 which was adopted at the 41st (extraordinary) sitting of the CEMA Session notes that production intensification based on accelerated scientific and technical progress is the main factor in resolving the tasks facing the community countries. CEMA member states are stepping up their joint activity with the aim of creating and utilizing fundamentally new types of machinery and technologies through a concentration of efforts and profound all-around cooperation. The development of science and technology in the fraternal countries will not only contribute to the acceleration of the process of the gradual elimination of differences in the level of their economic development but will also help to achieve the highest indicators in key areas of science, technology, and production.

The growing demand for new machinery is activating science. The 21st century is approaching. New targets stemming from present and future requirements are taking on a concrete shape. We have every confidence that we will be able to cope with them.

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CSO: 1825/53

EASTERN EUROPE

BRIEFS

TRADE WITH CSSR--Jan Pucek, deputy of the Czechoslovak trade mission in the Soviet Union, is interviewed on Soviet-Czechoslovak cooperation plans for 1986 in the field of heavy industry. The most important Soviet order from CSSR industry is equipment for a profile rolling mill in Volgograd; for blooming mills in Magnitogorsk, Kommunarsk and Nizhniy Tagil; and for many Soviet chemical enterprises. In the area of transportation, Czechoslovakia will deliver more than 500 diesel and electric trains to the USSR this year as well as a "large batch" of trams and trolleybuses. Czech trams now operate in 42 Soviet cities. As for deliveries in the other direction, the Soviet Union will this year supply metallurgical equipment for the Kosice combine and for other metallurgical works and chemical enterprises. In connection with Soviet-CSSR cooperation in constructing AES's in the latter country, nuclear energy equipment will also be delivered. The two countries are cooperating in the creation of various construction machines under the CEMA specialization program: 30,000 Czech machines are presently at work at Soviet construction sites, while Soviet bulldozers and drilling combines are widely used in Czechoslovakia's mining industry. [Summary] [Moscow Domestic Service in Russian 0900 GMT 19 Jan 86 LD] /9274

CSO: 1825/53

LATIN AMERICA AND CARIBBEAN

REVIEW OF THE JOURNAL LATINSKAYA AMERIKA NO 11, 1985

Moscow APN DAILY REVIEW in English 26 Nov 85 pp 1-4

[Text] In an article entitled "Liberation Traditions and Revolution," Y. Shemyakin writes that apart from preserving the historical heritage, a major task of Latin America's Marxist-Leninists is to create in the course of revolution new traditions and enrich the national cultures of the region. The development of the traditions of struggle for the unity of all democratic and anti-imperialist forces was of special importance for stimulating the search for ways of creatively reassessing Latin American realities in the context of scientific socialism.

The use of progressive elements in the historical heritage of two major social institutions, the army and the church, is of paramount importance in the struggle waged by representatives of the revolutionary camp in Latin America for unity of the democratic forces. Latin American communists have always considered the task of revitalizing the progressive traditions of the founders of Latin American armies, such as Bolivar, San Martin and O'Higgins, one of their fundamental objectives.

Taking into consideration that the overwhelming majority of people in Latin America are Catholics, the problem of tradition and revolution is closely linked with that of establishing mutual understanding with believers and representatives of the Catholic church. In tackling this problem, communists, without relaxing their criticism of religion, make emphasis in their agitation and propaganda work on showing the contrast between the democratic and reactionary traditions in Christianity. A substantial contribution to the solution of this problem has been made by communists in Argentina, Colombia and other countries. This problem is in the center of the ideological work of the Sandinista leaders of Nicaragua.

The author of the article points out that the task of revitalizing the traditions of Latin American solidarity has acquired special significance of late. Communists have repeatedly emphasized continuity between the traditions of Latin American solidarity, which date back to the War of Independence, and the current struggle against imperialist aggression.

Latin America's Marxist-Leninists support any effort to promote unity in defense of common interests from the imperial encroachments by the "northern neighbor." This applies not only to the working out of common Latin American position on the conflict situation in Central American but also to various integration processes (LAES and the Andean Group) and joint actions in support of the debtor countries.

N. Vasetskiy has contributed an article entitled "Leftist Phraseology at the Service of Enemies of Peace and Disarmament." Writing about the positions of the different political groups which appeared in Latin America as a result of the collapse of the Trotskyite "Fourth International," he emphasizes that all Trotskyite groups reject the Leninist theory of revolution and the principles of peaceful co-existence and absolutize armed struggle.

Trotskyites reject on grounds of principle the struggle for peace. They believe that the only "normal" situation is the one that "smells of war." They declare the efforts of the socialist countries to arrange a dialog with the capitalist countries and find a sensible alternative to the continuing arms race an "unrevolutionary" policy, a "concession" to international imperialism and even a "collusion" with it.

Trotskyites rejects everything that has been achieved during the past 15 years in strengthening peace, promoting equitable international relations and broadening the basis of anti-imperialist and revolutionary struggle.

The Trotskyites' allegations that the idea of disarmament is "alien" to Marxism-Leninism are absolutely untenable. "Disarmament is an ideal of socialism," said Lenin. This is the essence of the position of the working class and of the policy pursued by the Soviet Union. Marxism-Leninism made an invaluable contribution to the development of the theoretical principles of disarmament, helped the masses realize the global importance of that problem and raised the struggle for disarmament on to a qualitatively new level, making it a cause of not only the revolutionary movement but also of all mankind.

"The Public Sector and MNC Expansion" is the title of an article by I. Sheremetyev.

The history of the public sector in Latin American countries is the history of the struggle against the sway of foreign corporations and imperialist exploitation and for the assertion of national sovereignty over natural resources and the vital sectors of the economy.

The historical, including the latest, experience of the relations between the public sector and foreign corporations, the author points out, helps expose the following forms and methods of the struggle by the latter against the public sector: economic and financial blackmail and boycott; propaganda of the argument about the state as a "bad manager"; penetration into the public sector and "erosion" of public ownership; mediation in the links between public enterprises and domestic and foreign consumers.

In conditions of the economic crises of the 70's and the early 80's, which have to a varying extent undermined the economic growth opportunities of the Latin American countries, imperialism has launched a new offensive on the foundations of the latter's economic independence. The public sector in their economies, which is a real force capable of resisting imperialist expansion, has become a target of fierce attacks by the MNC's. It is obvious that in this dramatic situation the public sector acquires a special role. The struggle for its strengthening by the progressive forces in Latin American countries, I. Sheremetyev points out, is in effect the struggle for economic independence and for the opportunity to advance along the road of economic and social progress.

The journal also features the articles "USA-Mexico: Trade and Economic Contradictions" by A. Valuyev, "The Man and the Revolution. (Ideological Struggle over the Personality and the Legacy of Ernesto Che Guevara)" by V. Mironov, and other materials.

8543

CSO: 1802/67-E

LATIN AMERICAN AND CARIBBEAN

TABLE OF CONTENTS: LATINSKAYA AMERIKA NO 11, 1985

Moscow LATINSKAYA AMERIKA in Russian No 11, Nov 85 pp 3-4

[Text] EDITOR'S COLUMN

The Demand of the Peoples 5

THE 27TH CPSU CONGRESS

CURRENT PROBLEMS OF REVOLUTIONARY THEORY

Ya.G. Shemyakin. Liberation Traditions and Revolution 7

N.A. Vasetskiy. "Leftist Phraseology" at the Service of the  
Enemies of Peace and Disarmament 21

N.A. Valuyev. Mexico-USA: Trade and Economic Contradictions 34

CRISIS OF THE STATE OR A NEW STAGE OF DEVELOPMENT?

I.K. Sheremetyev. The State Sector and Expansion of the multi-  
national Corporations 47

V.M. Kulistikov. Cosmetics for Leviathan: Administrative  
Reforms and Political Practice 55

THEORIES AND CONCEPTS OF SOCIAL DEVELOPMENT

V.N. Mironov. Man and Revolution (the Ideological Struggle over  
the Personality and Legacy of Ernesto Che Guevara) 67

PAGES OF HISTORY

A. Diaz Huribe (Colombia). Colombia-Cuba: 100 Years of Solidarity 87

## ART AND LITERATURE

- Slavic Motifs in the Poetry of Leon de Greiff  
(on the 90th anniversary of his birth). Introduction and  
Translation by Sergey Goncharenko 97  
I. K. Shatunovskaya. At the 14th International Film Festival in  
Moscow 106

## TRANSLATIONS

- Graham Greene. Getting to Know the General; the Story of an  
Involvement 118

## BOOK SHELF

- A.F. Cofman. "Kultura Venesuely" [The Culture of Venezuela].  
Moscow, "Nauka", 1984; "Kultura Ekvadora" [The Culture of  
Ecuador]. Moscow, "Nauka", 1985 136

- P.N. Boyko. A. V. Bereznoy. "Transnatsionalnyye korporatsii na  
rynkakh razvivayushchikhsya stran: ogranichitelnaya delovaya  
praktika" [The Multinational Corporations in the Markets of the  
Developing Countries: Restrictive Business Practices], Moscow,  
"Nauka", 1985 139

- A.A. Sukhostat. "Narody-bratya" [Fraternal Peoples (Dos pueblos  
hermanos)] by Victor Perez Galdos and Pablo Socorro. Havana,  
Editora politica, 1985 140

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Respublike" [Crisis and the Political Situation in the Dominican  
Republic (Crisis y situacion politica en Republica Dominicana)].  
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8543

CSO: 1807/163

LATIN AMERICA AND CARIBBEAN

CONTRADICTIONS IN MEXICO-U.S. ECONOMIC RELATIONS EXAMINED

Moscow LATINSKAYA AMERIKA in Russian No 11, Nov 85 pp 34-45

[Article by A.N. Valuyev: "Mexico--USA: Commercial-Economic Contradictions"]

[Excerpts] The United States occupies the dominant position in Mexico's economic relations with other countries. It accounts for three-fifths of Mexico's foreign trade turnover, for the major part of direct foreign investments, and for about half of the foreign debt owed to foreign commercial banks.

U.S. President Ronald Reagan said the following during a visit to Mexico in August 1983 U.S. President Ronald Reagan: "Mexico is one of our largest markets, one of our primary sources of supply. Despite the current difficulties, Mexico correctly views our market as basic to increasing the viability of its own market, and I can assure you that we consider Mexico's economic health to be a factor of great significance to our prosperity and well-being." <sup>1</sup> On what was the head of the U.S. administration basing his statement? Mexico is the third largest trading partner of the United States after Japan and Canada, and it is the number one supplier of oil to the American market. In the period before the crisis in the Mexican economy, 12 percent of the total volume of direct investment by American companies in the developing countries was concentrated here. <sup>2</sup> The reduction in exports to Mexico, which became the victim of a financial-economic crisis, resulted in a loss of employment in the U.S. processing industry, while devaluation of the Mexican peso turned into an additional factor in the reduction in business activity in the American border cities (according to estimates 250,000 jobs were lost for this reason in 1982-1983).<sup>3</sup>

Mexico's foreign debt crisis and its consequences temporarily pushed into the background the problems and contradictions in bilateral economic relations; however, recently they have begun to let themselves be known again with increasing frequency. Contradictions in the sphere of trade and exports of American capital in the form of direct private investment are among the most



central of those problems and contradictions. For this reason R. Reagan's words hang in mid-air.

#### Oil in the Epicenter of the Contradictions

In the late 70's and early 80's the "oil factor" played a decisive role in bilateral political and economic relations. At present this factor is still influential--although to a lesser degree--despite the reduction in demand and the drop in oil prices on the world market.

Mexico began to develop its very rich oil deposits in the early 70's, and in 1977 it limited oil production to 2.25 barrels per day (it was later raised to 2.7 million barrels). This measure ran counter to U.S. intentions to increase its purchases of Mexican oil to the maximum. The southern neighbor's refusal to subordinate the development of its oil wealth to the tasks of providing for U.S. needs served as the main reason for the worsening of relations between the two countries in 1977-1978.<sup>4</sup>

Having increased oil exports, the Mexican government at the same time took steps to diversify exports among purchasing countries in order to avoid extreme dependence on the USA. The first national energy program, which was undertaken in 1980, stipulated that no country could have more than 50 percent of Mexico's oil exports, while Mexico's should not supply more than 20 percent of the total petroleum imports of any purchasing country (except for the Central American and Caribbean countries, to which Mexico--along with Venezuela--sells oil on preferential terms).<sup>5</sup>

In contrast with previous years, official U.S. circles this time refrained from direct attacks on the Mexican side: it was important to reduce the incandescence of anti-American sentiments in Mexico. In addition, a new approach to economic relations with the southern neighbor was receiving more and more support, and according to this approach the growth of American exports to Mexico was no less important than the expansion in Mexican oil purchases.<sup>6</sup> In practice this goal was successfully realized until the start of the financial-economic crisis; the growth of American exports and private investment provides evidence of this.

An important feature of American-Mexican relations is the growth of Mexico's dependence on food imports from the USA. In 1982-1984 Mexico accounted for an average of 12 percent of the value of American agricultural exports to the developing countries.<sup>13</sup> This food dependence, which under certain circumstances threatens to turn into a factor of political pressure from outside, prompts the country's government to search for new sources of supplies. There is specific evidence of this in the agreement with Argentina on grain purchases, which was concluded in March 1984.<sup>14</sup>

The American multinationals based in Mexico took maximum advantage of the favorable market conditions of the late 70's. In the Mexican processing industry the norm for profits on U.S. investment in 1978-1981 was 1.6-fold greater than the average indicator for other developing countries, and 1.8-fold greater than for other Latin American countries. <sup>17</sup>

When it was suffering from an acute shortage of loan funds, the Mexican government, although it understood the negative consequences of the activities of the multinationals, nonetheless adopted a policy of attracting direct foreign investment on the basis of "an active and selective policy." In the National Development Plan for 1983-1989 foreign capital investment is viewed as a supplementary source of financing and as a way to acquire new technology and apply new management methods. In government circles they think that the transition from a "primarily defensive" to a "consistently active" investment policy will contribute to the fulfillment of the priority tasks of national development, and specifically to the effective replacement of imports in certain industrial sectors, to the achievement of currency balance and to the production of competitive goods and services.

In 1984 the Mexican government carried out a series of measures on the liberalization of investment conditions. First of all, broader use is now made of the exceptions stipulated by the law introduced in 1973 to promote Mexican capital investment and to regulate foreign investment. The limitations on the participation by foreigners in the capital of new and already-existing enterprises have been weakened. The official list of the desirable spheres for the application of foreign capital has been published for the first time, and it includes 34 sub-sectors of the processing industry.<sup>18</sup> Mixed enterprises received broader access to Mexico's fund market. In 1985-1990 the government plans to attract \$6 billion in the form of direct investment from overseas.

Not satisfied with the partial softening of foreign investment regulations, the USA is demanding further concessions. The Bank of America representative in Mexico expressed the essence of these demands quite clearly: "Until the government reviews its policy of regulating foreign investment, their volume here will be negligible."<sup>20</sup> The example of the American multinational IBM, which intends to set up an enterprise to assemble computers in Mexico, testifies to the scale of the pressure which is being exerted on the Mexican government. The corporation's proposal includes conditions which contradict the industrial plan for the development of computer production (adopted in 1981) with regard to the percentage participation of national capital (no less than 51 percent) and the utilization of local materials. Official Washington has spoken out in defense of IBM's interests. In one of his speeches (November 1984, Buenos Aires), the U.S. permanent representative to the OAS took note of the relative reduction in Latin America's share of U.S. direct investment and stated: "...the international investment community is carefully observing the talks between IBM and Mexico. A favorable outcome may become the impulse for positive shifts in investment flow."<sup>21</sup>

With the October 1984 adoption of the U.S. law on international trade and investment the arsenal of means to pressure Mexico was expanded. The law stipulated measures through which the statutes and norms adopted by other countries to regulate the export activities of companies subordinate to the American multinationals can be reduced to naught. These measures include specifically the application of trade sanctions in the form of limitations on the export to the USA of goods and services produced by enterprises which have become objects of regulation and go as far as a complete ban on exports. This can affect first of all the export of cars and engine blocks, which has a negative effect on many Mexican firms which are subsidiary suppliers of foreign car companies.

"Maquiladoras": "Safety Valve" or a New Knot of Contradictions?

The "maquiladoras" occupy a special place in Mexico's trade and economic ties with the USA. The basic purpose in establishing enterprises which produce export goods from imported components is to increase the employment of the population in the northern regions of Mexico and to reduce seasonal migration to the United States. The maquiladoras operate under the favorable conditions of the "free economic zone" in the border regions. Gradually the tax advantages are being extended to export production units located in the coastal zone and certain internal regions of Mexico. In 1983 the country had 600 of these enterprises employing 151,000 people. Their output was represented mainly by electrical and radio-electronic items, engine blocks and parts for cars, clothing, footwear and certain other goods. More than 90 percent of the output is sent to the United States, but in 1983 up to 20 percent of their output was permitted (with certain limitations) to be sold on the domestic market.

One of the main factors which encourages American multinationals to shift certain production units to Mexico is a reduction in expenditures due to the differences in the wage levels of the two countries. In 1984 the average wage of a worker in Mexico's northern zone did not exceed one-tenth of the average wage for a U.S. worker with similar qualifications. <sup>22</sup> In terms of this indicator, Mexico can be equated with such countries and territories as South Korea, Hong Kong and Taiwan. The Mexican government is interested to a certain degree in expanding the network of the maquiladoras because they not only make it possible to lower the level of unemployment but they are also an important source of foreign currency.

It is proposed that by the year 2000 one million people will be employed by the maquiladoras, while the value of their output, with the exception of imported components, will reach \$10 billion. However, business is business. At any moment the American multinationals can switch the production at enterprises which they control to other countries under the pretext of "worsening conditions of operation." Thus, the "maquiladoras" have become one

more, extremely effective instrument for strengthening dependence on the northern neighbor. Moreover, illegal immigration of Mexicans to the USA has not only not been reduced, it has, on the contrary, grown. The unemployment level in the border regions remains the same as it is throughout the country: in 1984, for example, in Ciudad Juarez it reached 35-40 percent. In addition, the activity of the maquiladoras, which employ mainly women, have given rise to a new social problem of "male unemployment," which previously was not characteristic of the traditional way of Mexican life.

#### The Policy of Protectionism and the New Harshness

In the late 70's and early 80's U.S. policy in the area of trade with the most developed countries of the "third world" became substantially harsher. The nondiscriminatory entry of goods into the USA was more and more frequently linked to demands to repeal certain forms of export subsidies, to liberalize imports and to create favorable investment conditions for foreign capital investment. As for Mexico, Washington linked certain hopes for an increase in trade and economic expansion in Mexico with that country's entry into the General Agreement on Tariffs and Trade (GATT), which is controlled by the developed countries of the West. It is no accident that the 1980 decision by the Mexican government to postpone joining this organization and to develop trade and economic relations with the USA on a bilateral basis was greeted with disappointment in the White House. 23

At the present time Mexico faces the task of first of all developing exports of industrial goods, which is one of the conditions for overcoming the foreign debt crisis and implementing the structural re-organization of the processing industry. The National Program of Industrial Development and Foreign Trade for 1984-1988 sets the goal of reducing the foreign trade deficit in industrial items and semifinished goods to 1 percent of the GNP, including a 10-13 percent annual increase in the export of goods in this group. 24

In this connection, Mexico is increasingly concerned with the growth of U.S. protectionism. We are talking first of all about the application by the United States of compensatory duties as counter measures against Mexico's export subsidies. In accordance with the 1979 law on trade agreements, the USA grants certain benefits only to those countries which have joined the GATT code on subsidies and compensatory duties (or acknowledge this code de facto). As for other countries, including Mexico, the compensatory duties on their goods are usually levied according to a different scheme. In 1980-1984 they were applied to the import of 13 Mexican items; moreover, they were applied with particular intensity in the last two years. The goods subject to duty are leather items, some types of building materials, etc. In late 1983 the U.S. Department of Commerce announced the introduction of compensatory duties on Mexican steel. In order to avoid major losses, Mexico introduced "voluntary" limitations on steel exports to the USA amounting to 395,000 tons

and in 1985 to 260,000 tons. This year the compensatory duties have been extended to textiles as well.

In early 1982 Mexico suggested to the USA that they come to a mutually acceptable decision on favorable conditions for the application of compensatory duties in exchange for an end to certain export subsidies. The draft of the corresponding agreement was prepared for the visit of M. de la Madrid to Washington (May 1984). However, contrary to the expectations of the Mexicans, the signing of the document was postponed because the USA linked this question to an improvement in the conditions under which foreign companies operate in Mexico. The harshest attacks from the U.S. side have been directed against the 1984 law concerning the development of the pharmaceutical industry, and particularly those clauses which stipulate an increase in the proportion of local raw materials in the end product and the protection of consumers' interests. In April 1985, as a result of a massive pressure campaign, the Mexican government was forced to make certain changes in the law. The agreement was signed only after the changes were made.

There is another reason why the American side delayed the talks, and that is Mexico's principled position on the Central American problem. In this way the Reagan administration was trying to utilize the legislation on compensatory duties as a way of pressuring the foreign policy of the southern neighbor.

The achievement of this agreement does not mean final resolution of the problem. For example, at the present time the USA is making attempts to qualify domestic prices (which are lower than world prices) on the output of "Pemex," the Mexican state petroleum corporation, as illegal state subsidies and on this basis to limit the import into the USA of those Mexican goods which are produced using a high proportion of hydrocarbon raw materials and energy expenditures. In this way Mexico's right to freely dispose of its own natural resources to stimulate industrial development and exports is being called into question.

The import of Mexican goods within the framework of the General System of Preferences (GSP) is an important element of Mexican-American trade relations.

<sup>25</sup> The U.S. economic literature frequently emphasizes that in terms of the scale of GSP utilization, Mexico is in fourth place in the developing world after Taiwan, South Korea and Hong Kong and first place (which it sometimes shares with Brazil) in Latin America. And, in fact, Mexican goods account for 7 percent of the value of all preferential imports into the USA and more than 25 percent of the imports from Latin America.<sup>26</sup>

An analysis of the available data on the results of the effect of the preferences with regard to Mexico makes it possible to draw certain conclusions. First, in the early 80's there was a clearly expressed tendency for imports within the GSP framework to constitute a smaller fraction of all Mexican goods imported by the United States. Second, growth in the number

of exceptions from the list of preferential goods of Mexican production outstripped the increase in the value of imports within the GSP framework.

The proviso regarding the "competitiveness criterion" contained in the 1974 trade law is the most effective instrument for limiting the preferential access of Mexican goods into the USA. According to this proviso the preferential conditions can be applied to a product only if in the previous year U.S. deliveries of that product did not exceed a certain value limit or, in relative terms, amounted to no more than 50 percent of the value of all American imports of that product. A product from any country is excluded from the preferential lists if less than 35 percent of its added value is added within that country. With regard to Mexico, this point affects mainly the output of the maquiladoras, whose imports to the USA are regulated by special articles of American trade legislation.

It is typical that Mexico is in first place in terms of the frequency with which the "competitiveness criterion" is applied to its goods. For example, in 1982 the ratio between total GSP imports and the number of exclusions based on the "competitiveness criterion" was expressed as 1:0.8, while for Mexico this ratio was 1:2.5. In this same year it had 15 percent of all the exclusions from the GSP.

At the 6th UNCTAD session in Belgrade (June 1983) the Mexican delegation condemned these kinds of discriminatory measures in the area of international trade, emphasizing that protectionism reduces to naught the efforts of the developing countries aimed at expanding production and increasing its effectiveness. As soon as the goods which they produce reach a certain degree of competitiveness, protectionist barriers are erected in front of them, and this deprives exporters of the opportunity to enjoy the fruits of their progress.

In October 1984 the USA introduced some additions to the preferential conditions, which affect Mexico's interests to some degree. In the first place, when a country achieves sufficient competitiveness for a given product, the conditions for the application of the "competitiveness criterion" are made stricter. In the second place, as of January 1987 the U.S. president receives the right to temporarily abrogate the effect of the criterion for individual countries and specific goods, if this is dictated by the "economic interests" of the United States 28.

It is obvious that the first of the above-mentioned innovations will significantly narrow the opportunities for preferential access by Mexican goods to the American market. The second innovation is an additional instrument of pressure on the developing countries for the purpose of ensuring conditions of access to American markets which are acceptable to the USA.

In general, it can be said that Mexico's trade and economic relations with the United States are characterized by an increase in contradictions, which

frequently acquire a political coloration. During his recent visit to the USA, M. de la Madrid characterized the problems which exist in bilateral relations as "daily growing more complex and intense." While taking advantage of Mexico's complex economic position, American imperialism is increasing pressure on this Latin American country in order to bind it the hegemonistic U.S. foreign policy and economic strategy.

The prospects for eliminating the trade and economic contradictions between the two countries, even taking into account possible compromises and concessions on specific questions, remain on the whole unfavorable. Under these conditions the task of diversifying Mexico's foreign political ties within and beyond the region is becoming urgent as never before. The strengthening of trade, scientific-technical and other ties with the continent's countries and with the developing states of other regions, as well as the further development of trade-economic cooperation with the CEMA member countries on a mutually advantageous basis are of great significance in opposing U.S. economic expansion.

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17. Calculated according to: SURVEY OF CURRENT BUSINESS, Vol 60, No 8, August, 1980; Vol 63, No 8, 1983.
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23. For more detail see "Meksika: tendentsii ekonomicheskogo i sotsialno-politicheskogo razvitiya" [Mexico: Trends in Economic and Socio-Political Development]. Moscow, 1983, pp 165-168.
24. "Programa nacional de fomento industrial y comercio exterior, 1984-1988." Mexico, 1984, p 91.
25. This system was formed in accordance with the 1974 trade law, which was adopted by the USA in order to ensure favorable access to the American



market for about 2,900 categories of goods from places considered to be developing states and territories. The GSP was originally established for an effective period of nine years, beginning in 1976; it was subsequently extended (in October 1984) for another nine years.

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8543

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LATIN AMERICA AND CARIBBEAN

LITTLE SUCCESS SEEN IN LATIN AMERICAN ADMINISTRATIVE REFORMS

Moscow LATINSKAYA AMERIKA in Russian No 11, Nov 85 pp 55-56

[Article by V.M. Kulistikov: "Cosmetics for Leviathan: Administrative Reforms and Political Practice"]

[Excerpts] A swollen bureaucratic apparatus, an archaic structure for administrative organs, unqualified and corrupt officials... How can these vices of the bureaucratic machine, which are common to countries of peripheral capitalism, be eliminated? How can it be turned into an accelerator of socioeconomic development? In Latin America dozens of organizations are engaged in the search for answers to such questions; they include organizations which are working together within the framework of the Latin American Center of Development Administration (CLAD), the Latin American Association of Public Administration (ALAP), the Central American Institute of Public Administration (ICAP), the Caribbean Center for the Administration of Development (CARISAD), various institutions of the UN, ECLA and UNESCO. The idea of modernizing public administration has firmly entered the political consciousness of the ruling elite in the region's countries. The bourgeois and reformist leaders lay the blame for the very serious crisis which is now being experienced by a number of countries on backward and sluggish bureaucratic structures. Everywhere special government agencies responsible for developing and carrying out administrative reforms are in operation. Programs for reorganizing the organs of public administration are invariably included in the short-term, medium-term and long-term plans for national development.

However, despite the significant expenditures of effort and resources, "in Latin America, as in other developing regions, reform has not been able to achieve the most important goals." This is the pessimistic conclusion which CLAD drew with regard to the reorganization of the administrative mechanism, a process which has lasted for decades.

## False Reference Points

A policy of modernizing the state apparatus is a characteristic feature of the domestic policy pursued by the most varied Latin American regimes. In the 60-80's it was followed by the governments of Venezuela, Mexico, Costa Rica and the small states of the Caribbean, the neo-authoritarian dictatorships of Brazil, Chile and Argentina, as well as by the traditional and personal tyrannies of Haiti and Paraguay. It would seem that the substantial differences in the political colors of these regimes should be reflected in the content of the plans for change. In reality, however, the latter reveal a surprising similarity. Despite the specific features of the socio-political "context," of individual countries, the efforts of those who have created the Latin American reforms are invariably aimed at the achievement of the same ideal, which consists in the establishment of the so-called administration of development, a dynamic governing mechanism adapted to the resolution of tasks related to a given role of the state in the regulation of socio-economic processes. This imaginary administration must be supplied with a cohort of politically loyal, local, highly qualified specialists equipped with the advanced technology of management and organized within a framework of flexible administrative structures, who responsibly and effectively fulfill the tasks of the political leadership.

Similar goals are achieved by similar means. For this reason it is not surprising that with all the differences in technical details from plan to plan, standard recipes for correcting the vices of the bureaucratic machine turn up first in one plan then another: deconcentration<sup>2</sup> of the decision-making process; the introduction of modern technical means and methods for organizing administrative labor; and the improvement of training for administrative employees.

The practice of introducing advanced management technology from the USA and other capitalist countries has not justified itself; the creators of the Latin American reforms were counting on the "miraculous effect" of this technology. Of course, the creation of modern statistical services and information centers and the computerization of certain administrative operations has had a positive effect on the functioning of the administrative mechanism. However, even in those places where this kind of re-equipment process has been taking place at a rapid pace (Brazil, Argentina, Mexico, Venezuela, Colombia), the resources of the new equipment and "know-how" are far from being fully utilized; specifically, there has been a shortage of specialists because people with suitable skills prefer to work in the private sector, where the salaries for management personnel are significantly higher. But the main drawback of the "technological program" of reforms does not lie here. As long as the archaic norms regulating administrative activity are retained, the bureaucratic mechanism does not escape routine and red tape even when the most modern computers are available. For example, in Haiti's ministry of health,

despite all the technical innovations, the taking of standard decisions requires the participation of 31 offices.<sup>6</sup>

It would seem that the problems of simplifying administrative procedure and of increasing the administrative effectiveness would be settled as a result of the structural transformations specified by the reforms. However, the deconcentration carried out in Brazil, Mexico, Venezuela and a number of other countries has brought more problems than it has solved. The extreme centralization which is a distinguishing feature of the Latin American public administration systems has served as the incentive for deconcentration.<sup>7</sup> In their attempts to "relieve" the ministries and other central agencies of everyday problems, the authors of the reforms were striving to expand the effective independence of the government representatives who carry out the leadership of individual regions or branches of the economy.

The mistakes of the Latin American reformers demonstrate the fallaciousness of the approach to administrative reform which treats it as a chain of institutional reorganizations, technical improvements and measures which do not effect the entire complex of social relations developing in the public administration sphere. The stress on the formal aspects of the reorganization has merited the extremely negative criticism offered by CLAD, which at the present time is actively engaged in working out more realistic recommendations on the implementation of administrative reforms.<sup>10</sup> However, the critics fail to pay attention to the question of which political factors have resulted in the superficial nature of the reformers' undertakings. But, without an answer to that question it is impossible to give a well-founded evaluation of the prospects of administrative reform in a society of peripheral capitalism.

#### Administrative Statics and Political Dynamics

The analysis which has been made of the methods which the Latin American countries have typically used to re-organize their public administration systems reveals the adaptive nature of the administrative transformations.<sup>11</sup> The reformers, who are guided by the "universal" recipes of Western administrative science, do not touch the socio-political essence of the bureaucratic machine, limiting themselves to the renovation of its individual parts in accordance with present-day requirements of management techniques. Those innovations which the creators of the reforms dare to implement do not change the traditional principles of administration. Thus, the deconcentration undertaken in a number of countries was not in fact oriented toward strengthening the decentralist principle in the administration of the national territory or branches of the national economy. The above-mentioned weakening of the control exercised by the central executive power over the activity of the local and industrial administrators proved to be an undesirable by-product of the reforms, which did not stipulate adequate measures to strengthen the monitoring-inspecting functions of the government agencies. The actual goal of deconcentration was the further development of the centralist principle, which

has traditionally predominated in Latin American public administration systems. For this reason it is no accident that as authority is handed over to regional and industrial organs the central apparatus expands with the addition of all sorts of committees, which are called upon to coordinate and direct the work of the deconcentrated administrative structures.<sup>12</sup>

One must not fail to direct attention as well to the fact that the reforms plan the reorganization of only those institutions and agencies which primarily fulfill the functions of economic and social regulation. The repressive apparatus (including not only the police but also the armed forces, which in fact fulfill the functions of political force and control), swallows up a significant portion of budget appropriations and remains a "restricted area," for the reformers. Moreover, the "dismantling" of this extremely inflated mechanism is one of the postulates of the "administration of development" theory, which requires the "transformation" of the bureaucracy inherited from the past, which is engaged primarily in maintaining "order" and "security." Moreover, in a number of countries the implementation of administrative reform turned out to fall within the jurisdiction of those agencies specializing in repression! For example, in Haiti the implementation of the recommendations made by the Administrative Commission, which is concerned with developing reform, has been entrusted to the Ministry of Internal Affairs. The Chilean CONARA--the National Administrative Reform Commission--includes representatives of the armed forces and the police.

The reform plans which have been examined do not pose the problems of local self-government; the resolution of these problems would make it possible--if only to an insignificant degree--to expand the participation of non-privileged groups of the population in administration, to make the administrative system more "sensitive" to the needs of the grass roots. In both the federal and unitary states in the region, the tendency toward the elimination of local autonomy continues to predominate; it is accompanied by a shift from a system of self administration toward methods of direct state administration at the middle (departmental, regional and provincial), and lower (municipal, canton, district) levels.<sup>13</sup>

The refusal to resolve those problems of public administration which are the most urgent from a political viewpoint testifies unequivocally to the conservative nature of Latin American reforms. None of the theoretical findings of CLAD, ALAP, CARISAD and other research centers can change that because it is the result of a "demand" made by the ruling elite, which is interested in preserving the traditional relations of power and the principles by which it is exercised although--it is true--in "modernized" forms.<sup>14</sup> By virtue of this "demand" the effect of the reforms on the real evolution of the administrative mechanism is limited by superficial innovations.

The administrative style which is typical of dictatorships which are traditional and personal helps to turn the bureaucracy into a cohort of

courtiers, whose well-being depends entirely on the disposition of the dictator and his deputy. Hidden behind the formalized procedures for decision making there are relations of vassal dependence, which permeate the bureaucratic apparatus from top to bottom. As a result, the process of governing is personified; the orientation of that process is strengthened by the will of the "leader" of any given bureaucratic clique which is closest to the dictatorship at that particular moment. 16

#### Museum of Bureaucracy

A direct consequence of the frequent "switches" in the style of public administration depending on changes in the political regime is the lack of a) a well-ordered institutional structure, b) a strict hierarchy and c) functional specialization of the elements in an administrative mechanism. It is characterized by the co-existence of agencies with intersecting jurisdictions, the existence of units which have actually ceased to function and an abundance of institutions carrying out functions which are not essentially theirs. The norms which are called upon to regulate the administrative activities are themselves frequently an example of confusion and a lack of coordination which, on the one hand, make rational and effective decision making difficult and, on the other, open up the way for bureaucratic arbitrariness to flourish. 19

The internal disintegration of the state mechanism results from the fact that its evolution had nothing in common with the carefully planned process of administrative reform; instead it took the form of a non-orderly accumulation of procedures and institutions called to life by immediate political considerations. Numerous "relics" of the past and traces of activities carried on by political systems and regimes which have disappeared are preserved in the course of this evolution, and they change the state machine not into an "administration of development," but rather into a genuine museum of bureaucratic relations.

It is difficult to utilize the awkward and archaic apparatus for direct purposes. Its ineffectiveness harms in an especially tangible manner the interests of the ruling elite in crisis moments, when decisions must be taken with a speed inaccessible to a sluggish bureaucratic machine. After taking this into account, the region's ruling classes began to create a parallel system of government, which in the evasion of the constitution and laws usurps to an increasing degree the rights and obligations of the official administrative organs.

As already noted, the replacement of civilian institutions with various types of "juntas" is characteristic of neoauthoritarian regimes. In bourgeois democracies the real administrative functions are frequently taken over by party structures and advisory committees which consist of representatives of political parties, trade unions and business groups, peasant associations,

etc.<sup>20</sup> With those tyrannies which are both personal and traditional a camarilla involved in court intrigues operates behind the facade of the official administrative agencies.

It goes without saying that this tendency manifests itself very differing degrees in the various spheres of public administration. Undoubtedly this "substitution" process first of all affects the administrative subdivisions which are concerned with questions of socio-economic regulation. However, one must not deny that the repressive apparatus in a number of the region's countries has been deprived of the monopolistic right to use force in the interests of the ruling elite. In periods of crisis, any number of semi-military formations beside the army and the police carry out punitive functions: "death squads," volunteer combat units of activists from the ruling party, "private armies" of Latifundists, etc. The existence of an auxiliary repressive mechanism not bound by law makes the reprisals against the opposition especially inhuman and creates conditions for the mass violation of the political rights and freedoms of citizens, even in countries with bourgeois democratic regimes.

It is significant that in the Latin American countries the well-known weakening of the bureaucratic monopoly on the performance of a number of administrative functions has not been accompanied by any noticeable reduction in the number of state institutions or their personnel. On the contrary, both indicators reveal a tendency toward hypertrophied growth, frequently at a rate which exceeds the increase in the GNP.<sup>21</sup> This is explained by the fact that within the system for ensuring the political domination of the ruling classes which is characteristic of the societies of peripheral capitalism, the role of the state apparatus does not consist only in the fulfillment of administrative obligations. In Latin America the development of the administrative mechanism's "extra" functions results from the fact that every political regime and every political figure attempts to utilize the state apparatus to gain support from certain social strata and groups. The "client" orientation of the administrative mechanism takes the form of three principles. In the first place, the political leadership (or an individual leader) can utilize control over the state apparatus to establish a "working interaction with any given strata of the civilian population." By granting them certain benefits, by putting them in a privileged position, by permitting their representatives to participate in decision making on questions of interest to those particular strata, and by appointing "necessary people" to government posts, the regime justifiably counts on loyalty and support in return.<sup>22</sup> In the second place, by depending on the state apparatus, the regime's leaders are capable of creating new groups and even new social strata society which subsequently become their reliable clients.<sup>23</sup> In the third place, the lower units of the administrative structures--aside from their primary purpose--are traditionally utilized to ensure the employment of the middle strata of the urban population, in whose loyalty every Latin American regime is interested. This concern explains the above-mentioned tendency toward overstaffing of the state apparatus, the

growth of unnecessary offices and the retention of bureaucratic institutions which have outlived their time.<sup>24</sup>

The key role of administrative structures in ensuring the "link" between a political regime and a society is personified by representatives of the highest bureaucracy, i.e., by ministers, generals, etc. They stand at the center of the "bureaucratic chains," systems of informal contacts between politicians, officials, businessmen, trade union leaders and the press; in the course of these contacts decisions are made which officially come under the jurisdiction of various government agencies.<sup>25</sup> The bureaucracy ceases to be the one executing political programs and becomes instead an active participant in their behind-the-scenes development.

This leads to the so-called politicization of the higher echelons of officialdom, which increasingly act as an independent factor in the struggle for power. In this struggle they actively utilize the administrative structures subordinate to them and that share of the state resources which they have at their disposal. As a result of differences in the caste interests of individual segments of officialdom and the "clients" supporting them (representatives of civilian society), the state apparatus ends up split into warring factions.<sup>26</sup> Sometimes this kind of internecine strife ends with the achievement of a certain balance of forces, and a compromise based on that balance; at other times one of the factions gets the upper hand and establishes control over the rival segments of the bureaucracy.<sup>27</sup>

Thus, the analysis performed on the most important political factors which determine the features of the Latin American Leviathan shows that the cutting edge of the administrative reforms which have been carried out in the region's countries is aimed against the individual failures of the administrative system, failures which have arisen as a result of the entire constellation of social relations. Any struggle against these failures which is carried out by means of purely technical improvements in the governing process is a hopeless matter. Procedures and structures which are "irrational" and "non-functional" from the viewpoint of "management theory" appear to be completely justified in the light of the concrete political interests of the ruling circles.

#### FOOTNOTES

1. "Public Administration and Management: Problems of Adaptation in Different Socio-cultural Contexts." New Delhi, 1982, p 102.

2. In the theory of administrative reforms the term "deconcentration" is understood to mean the transfer of certain powers of the central organs to the apparatuses for industrial, territorial, regional and local administration.

6. PUBLIC ADMINISTRATION AND DEVELOPMENT. London, No 1, 1983, p 42.



7. The Soviet researcher A.A. Tikhonov notes that up to now the determining tendency in the development of the Latin American state has been the constantly increasing centralization of state power, caused by the rapid development of capitalist production relations, on the one hand, and the desire of the exploiting classes to ensure their political domination through anti-democratic, authoritarian methods and means, on the other." "Gosudarstvennyy apparat" [The State Apparatus], Moscow, 1984, p 227.
9. "Politics and Policy Implementation in the Third World." Princeton, 1980, pp 197-223.
10. See "Public Administration and Management...", pp 102-107.
11. Reforms which are aimed at adapting traditional administrative structures to the fulfillment of new tasks are called adaptive. In contrast to these, innovative reforms propose a breakdown in old structures and the creation of new ones.
12. In his description of the activities of the Venezuelan National Council of Regional Development, N. Isquierdo Corser correctly noted that the granting to it of vast powers and the non-participation of regional organs in its work "distort the genuine essence of the process of regionalization inasmuch as it reveals a tendency toward centralization, which is just what we wanted to overcome..." N. Isquierdo Corser. "Estudios sobre la Regionalizacion en Venezuela, Caracas." 1977, p 176.
13. The Venezuelan administrator A. Brever-Carias, points this out. See: REVUE FRANCAISE D'ADMINISTRATION PUBLIQUE. Paris, No 12, 1979, pp 40-41.
14. While pointing out the archaic nature of the Latin American system of local organs of power, the Soviet researcher A.A. Tikhonov, in particular, notes that "despite the obvious inadequacies and failures of the existing administrative territorial structure, no radical attempts to change it are being undertaken. This provides evidence that to a sufficient degree it serves to ensure the class domination of the exploiting strata and is a firm foundation of the bourgeois-landowner state." "Gosudarstvennyy apparat," p 226.
15. The basic "threshold" for the development of a majority of the Latin American political systems is generally considered to be the achievement of independence (the first quarter of the 19th century), the period of "caudillism" (the 30-80's of the 19th century), the epoch of the "old republics" (up to the Great Depression" of the 30's in the 20th century) and the "era" of populism (up to the 60's). See M. Kaplan. "Formacion del Estado nacional en America Latina." Santiago, 1960.

16. With regard to styles of public administration and their dependence on the political regime see O.Ozlak. "Political Regimes and Bureaucratic Transformations: the Latin American Experience." Rio-de-Janeiro, 1982.

17. For example, as early as December 1973 the Pinochet junta published a decree about administrative reform in which the creation of an "effective, dynamic and honest administration" was declared to be an indispensable condition of "national reconstruction." See "Enhancing Public Administration Reform," p 10.

18. Bolivia is a graphic example: the work on administrative reorganization, which was started there as early as 1970, has still not been brought to a conclusion due to political disturbances.

19. This, in particular, complicates to an extreme degree the problem of judicial control over the actions of the administration in those countries which have special organs of administrative justice. See REVUE FRANCAISE D'ADMINISTRATION PUBLIQUE, 1984, No 30, pp 255-265.

20. In Mexico, for example, the PRI [Institutional Revolutionary Party] committees play a leading role in the system of public administration at all of its levels.

21. See "Public Administration and Management...", pp 93-94.

22. This practice is characteristic of the inter-relations between the ruling elite and various business organizations. In a similar way the regimes with a populist orientation are looking for "clients" among the leaders of the trade unions.

23. For example, in Brazil, the so-called state bourgeoisie became that stratum which arose and grew up thanks to the goal-oriented activity of the neoauthoritarian regime. See "Estado e capitalismo no Brasil." Rio-de-Janeiro, 1977, pp 167-168.

24. The following facts characterize the activities of the state apparatus as a palliative for the social welfare system: 1. The pay does not amount to a living wage; as a rule, legislation does not provide for adjustments based on increases in the cost of living. Under conditions of hyperinflation this leads to a situation in which officials are permitted to occupy several posts simultaneously and thus to increase their incomes. 2. In a majority of the region's countries there is no specific system of pensions for officials and their families. As a result there are frequently cases in which the length of service is falsely extended in order to preserve salaries as well as other benefits and privileges. The widows of officials who have earned the particular goodwill of the officials will sometimes continue to receive the salary "as an exception." 3. There exists an entire system of "income

places," under which people who formally occupy state posts limit their activities to just receiving a salary. See PUBLIC ADMINISTRATION AND DEVELOPMENT, No 1, 1983, pp 40-43.

25. With regard to "bureaucratic goals" see F. Cardoso. "Autoritarismo e Democratizacao." Rio-de-Janeiro, 1975.

26. With regard to the factions in the state apparatus see S. Berger. "The Role of the State in Rural Politics: Guatemala." Rio-de-Janeiro, 1982.

27. We have in mind not only those military coups which result in the elite of the represssive apparatus coming to power. At the present moment, when the financial crisis in the region's countries has grown more acute and IMF pressure on governments has increased, researchers note the unprecedented growth of the political influence of the "financial faction" in the bureaucracy. See on this subject "Latin America in the World Economy," London, 1983, p 131.

28. In the Central American countries it has become quite common for members of the higher officer class to buy up plantations through surrogates. See D. Boris and R. Rausch. "Zentralamerika." Koln, 1984, pp 30-35.

29. Subdivisions of the military-repressive apparatus were the first to be included in this integration. See Dzh. Lengud. "Skrytyy terror" [Hidden Terror], Moscow, 1984.

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## LATIN AMERICA AND CARIBBEAN

### BRITISH BOOK ON CARIBBEAN ECONOMIC, POLITICAL CRISIS REVIEWED

Moscow LATINSKAYA AMERIKA in Russian No 11, Nov 85 pp 143-144

[Review by V.P. Sudarev of book "The International Crisis in the Caribbean" by Anthony Payne, Croom Helm, London and Canberra, 1984, 166 pages + appendix]

[Text] This book by English researcher A. Payne is devoted to one of the urgent problems of international relations in the Western hemisphere--the situation in the Caribbean countries. In 1981-82 the author, an instructor of political sciences at Huddersfield Polytechnical Institute, was an adviser to the House of Commons' Foreign Affairs Committee, which was examining the situation in this region.

One of the book's strong points is the author's attempt to provide an analysis of the internal processes taking place in the countries of this region in the 70's and 80's, including the crisis of archaic socio-economic structures and the high level of dependence on the conditions of the world capitalist market, which has so ruinously affected the economic situation of the Caribbean countries since the mid-70's. While previously, the author writes, the basic problem consisted of "growth without development," in recent years the discussion has concerned the absence of economic growth altogether.

As Payne correctly notes, the crisis in the traditional development "models," which are based on the free-enterprise system (p 33), has led to the search for economic and political alternatives, and this could not help but be reflected in the evolution of international relations in this region. According to the author, the result of these internal processes is increased political instability, which has given rise to the present crisis by threatening the "security of the United States." By increased political instability Payne understands those revolutionary processes which developed intensively in the 70's in the Caribbean and the emergence in such countries as Guyana, Jamaica, Grenada and Surinam of progressively-oriented regimes in which the imperialist circles of the USA saw a basic threat to their own domination in the Caribbean.

An analysis of the policy carried out by American administrations, which has been aimed at strengthening the shaken positions in this region, occupies one of the central places in the book. Particular attention has been given to the policy of the Reagan administration. A special section is devoted to the October 1983 intervention in Grenada. In general, Payne treats the development of events in this country objectively, noting in particular that the decision to intervene was influenced not by the "threat to the security" of the USA, but rather by Washington's desire to gain "at least one victory" in the anticommunist crusade (p 165).

Certain sections of the work are devoted to Great Britain's policy in this region and its close cooperation with the USA (pp 90-93); to France's attempts to become close friends with the progressively oriented regimes (pp 101-104); to Holland's position in relation to Surinam and the movement for the Island of Aruba's independence (pp 104-107).

A separate chapter examines the aspirations of those states such as Mexico, Venezuela, Colombia and Brazil to play a more active role in this region, and specifically to create their own spheres of influence (pp 113-135).

In the chapter on the foreign policy of the Caribbean countries Payne points to their increased foreign policy activity, as well as to the development of integration processes in the subregion.

In the final part of the work the author draws the conclusion that the traditional model of international relations, which was based on practically undivided U.S. hegemony, has gone forever. As Payne emphasizes, this was by no means the consequence of "subversive activity" by the USSR and Cuba, but rather the result of the internal processes taking place on the continent (p 153).

Payne is pessimistic about the prospects for stabilizing the situation in the subregion. He thinks that the obstacles on the path to the achievement of stability are the unfavorable economic conditions and U.S. policy, which exerts a decisive influence on the international climate in this region. The authors sees an alternative to this policy in the liberalization of U.S. policy with regard to the subregion's countries, a liberalization based on "restraint in the unleashing of American might," "dialog" with the USSR and Cuba, greater economic aid, etc.

On the whole, Payne's book leaves an ambiguous impression. The well chosen and interestingly presented factual material is fitted into a narrow framework of concepts which are traditional with bourgeois historiography, and this gives the analytical side of the investigation a contradictory nature.

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CHINA/FAR EAST/PACIFIC

MOSCOW SCHOOL FOR TRAINING CHINESE CADRES RECALLED

Moscow VOPROSY ISTORII KPSS in Russian No 12, Dec 85 pp 112-115

[Article by Candidate of Historical Sciences A. V. Pantsov: "A Memorable Page in the History of Soviet-Chinese Friendship: In Commemoration of the 60th Anniversary in Forming the University of Workers of China imeni Sun Yat-sen"]

[Excerpts] "A union of free republics is the genuine legacy that the immortal Lenin left to a world of oppressed people. While being guided by this legacy, people who are languishing under the yoke of imperialism will uphold their freedom and gain liberation from an existing world system that has been based on slavery, wars, and self-interest since olden days." (Footnote 1) (Sun Yat-sen: "Selected Works," 2nd Edition, Revised and Supplemented, Moscow, 1985, p 742) These words belong to Sun Yat-sen--a glorious son of the Chinese people, China's most prominent political figure of the first quarter of the 20th century, and a great friend of the Soviet country. They were spoken a day before his demise on 11 March 1925. The deep faith contained in them was engendered by the vast and unselfish support that Soviet communists unfailingly rendered to the liberation movement in China.

The forms for displaying this support were varied. They included moral and material aid to China's revolutionaries on the part of the RKP(b) [Russian Communist Party of Bolsheviks] and the proletarian state and assistance to them in developing matters of strategy and tactics for the revolutionary struggle. The direct participation of our country in training cadres of the Chinese revolution was of particular importance. In spite of the serious difficulties that Soviet Russia experienced during the years of civil war, intervention, and subsequent restoration of the war-ravaged economy, from the very first days following the victory of the October Revolution Soviet communists engaged in active work in this direction. In 1918 V. I. Lenin wrote: "In terms of misfortune we haven't refused to assist a single friend and comrade with all that we could and with all that was at our disposal." (Footnote 2) V. I. Lenin: "Complete Works," Vol 36, p 80)

The Soviet state presented the opportunity to the revolution-minded Chinese, many of whom had served in the Red Army, to be taught at various schools and in party courses. (Footnote 3) (See "Chinese Volunteers in Battles for Soviet Power (1918-1922)," Moscow, 1961, pp 35, 44. M. A. Persits: "Formation of the Communist Movement in Asia and Revolutionary Democracy of the East," in the book

"Revolutionary Democracy and Communists of the East," Moscow, 1984, pp 180-181) In April, 1921 in Moscow, Communist University of Workers of the East (KUTV) was formed in which a small group of Chinese revolutionaries who had cast their lot with the communist movement was enrolled right along with representatives of the Soviet East and other people of Asia and Africa. (Footnote 4) (See "The Life of Nationalities, 14 May 1921-22 May 1921;" "Collection of Statutes and Orders of the Worker's and Peasant's Government," Moscow, No 36, 1921, p 191; "Under Lenin's Banner, 8 May 1926") In May, 1924 the Huangpu (Whampoa) Officers School was created at Guangzhou in China itself with the assistance of the Soviet government and the Comintern, and in July of the same year peasant movement courses were inaugurated. (Footnote 5) (See M. F. Yuryev: "Revolution of the 1925-1927 Period in China," Moscow, 1968, pp 34-41, 144-147)

At the end of May, 1925 shortly after the death of Sun Yat-sen, a national revolution began in China. It developed under the banner of a united anti-imperialist front, which was based on Chinese Communist Party and Kuomintang cooperation that was established at the end of 1923 and the beginning of 1924. The basic principles of a united front theoretically were developed by the Comintern.

A powerful upsurge in the liberation struggle in China caused a necessity for increasing the number of revolutionary cadres well trained in theoretical relations, which were capable of leading the masses of working people. And once again our party and international communist movement came to the aid of China's revolutionaries.

At the end of November, 1925, a special VUZ--the University of Workers of China (UTK), which was designed for training political cadres that were needed for the Chinese revolution--was organized in Moscow to be an agent of the Soviet state, Comintern, and Profintern [Red International of Trade Unions]. The university was named after Sun Yat-sen, the great Chinese revolutionary democrat.

At first the central selection committee in Guangzhou, which was created at the suggestion of the political adviser attached to the Kuomintang's TsIK [central executive committee] M. M. Borodin, handled the selection and dispatch of students from China to the UTK. During the selection process, right-wing Kuomintang members hindered the sending of communists to Moscow. As a result, many of those selected in Guangzhou where the positions of the right-wingers were rather strong turned out to be members of the Kuomintang, whereas a majority of the students from Shanghai, Peking, and Tianjin were members of the KPK [Communist Party of China] and the KSMK [Young Communist League of China] (Footnote 6) (See A. V. Pantsov: "From the History of Training in the USSR of Marxist Cadres of the Chinese Revolution," in the book "Revolutionary Democracy and Communists of the East," p 305) The students' socialist composition reflected the presence of a united national front in China: among them were representatives of the petty and upper bourgeoisie, landlords by birth, workers, peasants, and the intelligentsia. By the end of October a contingent of 340 people was recruited. On 23 November 1925 the first group arrived in Moscow and immediately began their studies. Soviet advisers attached to the Kuomintang's TsIK organized preparatory Russian language courses for those who arrived later because of the fact that a sailing from Guangzhou was being awaited within several months.

(Footnote 7) (For example, by February, 1926 they could have reached a total of a little more than 200 people out of 340 students at UTK. See QIANJIN BAO, 12 February 1926) (Footnote 8) (See "Inflexible Communists," Peking, Vol 4, 1984, p 309, in the Chinese language)

Both Chinese political emigres, communists, and members of the Kuomintang, who had been residing in various countries of the world, arrived at the university. They came on the recommendation of those party organizations to whose work they had contributed their share, or they came on their own initiative. For example, 10 people--essentially Kuomintang members who had been taught up to this time in Germany--entered UTK on 6 January 1926, and 10 communists and Komsomol members who earlier had gone through training in Belgium and France entered during autumn of the same year. (Footnote 9) ("Geming Shi Ziliao," Peking, No 3, 1981, p 84)

Moscow's best teaching personnel--who were faced with the difficult task of developing special study methods that were calculated for students, a small portion of whom was not only faintly familiar with Marxist teaching, but even with the terminology of contemporary sociopolitical and economic sciences--were involved in working at the university. A distinctive instructional system was developed through the efforts of UTK staff members.

Party and political work, which was developed with the support and assistance of Soviet communists and aimed first and foremost at generating among the students a conviction of the correctness of the method chosen by them and a passionate devotion to the revolutionary cause, was the most important element in the Chinese students' Marxist-Leninist indoctrination. A special role in party work was assigned to open party meetings and so-called current politics societies in which practically all of the students participated. The most important questions of international events, resolutions of Comintern congresses and IKKI [Executive Committee of the Communist International] plenums, decisions of KPK congresses, and the life of the university itself were discussed here. All decisions were reached in a strictly collective manner. These society meetings and assemblies were of great indoctrinational importance.

International indoctrination was the central feature of party work that UTK staff members conducted among the Chinese revolutionaries. The University of Workers of China imeni Sun Yat-sen was a real school of proletarian internationalism. Its leaders gave paramount consideration to overcoming any forms of national dissension among the pupils. Students at UTK continually supported close contacts with the KUTV collective and with students of other Moscow academic institutions--Communist University imeni Ya. M. Sverdlov and Communist University of National Minorities of the West imeni Yu. Markhlevskiy. (Footnote 12) (See QIANJIN BAO, 12 February 1926 and 19 March 1926; S. A. Dalin: "Chinese Memoirs 1921-1927," Moscow, 2nd edition, 1982, p 192)

During their stay in the Soviet Union the Chinese students constantly felt the deep sympathy of the Soviet people, who followed the events in China with unflinching interest. Soviet workers greeted with enormous enthusiasm and joy the report concerning entry of China's national revolutionary army into Shanghai on 22 March 1927. Festive demonstrations and meetings were held in a number of



cities and a collection of resources was made for the fund to assist Shanghai workers. (Footnote 13) (See Pyn Ming: "Brief History of the Friendship of People in China and the Soviet Union," Moscow, 1957, pp 63-64; G. B. Erenburg: "Sketches of the Chinese People's National Liberation Struggle," Moscow, 1951, pp 98-99) A special issue of the newspaper PRAVDA was dedicated to the victory in Shanghai. (Footnote 14) (See M. F. Yuryev, op. cit., p 439) The friendly disposition of the Soviet people and their fraternal assistance and solidarity with the Chinese revolution promoted the Chinese students' international indoctrination.

On 26 July 1927 following counterrevolutionary revolutions in China, the Kuomintang's TsIK officially severed relations with the University of Workers of China imeni Sun Yat-sen and prohibited Kuomintang members from being at UTK. More than 100 students left the university and returned to China. In this way members of the Kuomintang withdrew from participation in the recruitment of student cadres for the university. The right to study missions at UTK remained with the Communist Party of China. A reorganization of UTK into a communist VUZ was begun at the same time.

By the end of this year 200 people had completed an instructional course at the university. The majority of them returned to work in China. A portion of the graduates remained at UTK as translators, instructors and scientists, and many continued their studies at various academic institutions in the country of soviets. (Footnote 15) (See "Inflexible Communists," Vol 4, p 310, in the Chinese language)

The University of Workers of China imeni Sun Yat-sen played a significant role in training cadres of the Chinese revolution. More than 1,000 Chinese revolutionaries--including Bo Gu, Wang Ming, Wang Jiexiang, Deng Xiaoping, Ye Jianying, Xu Tieli, Zhang Wentian, Wulanfu, Yang Shangkun and others--went through training at UTK and KUTK [Communist University of Workers of China]. Many young Chinese who came for studies in Moscow grasped the ideas of Marxism-Leninism for the first time right here, and a number of nonparty democrats and left-wing Kuomintang members joined the ranks of the communist party during their studies in Moscow. The description given to it by the editorial staff of the newspaper QIANJIN BAO (VPERED) was entirely applicable to UTK: "The University imeni Sun Yat-sen is a product of the October Revolution. In the narrow sense of the word it is an indoctrinator of fighters for liberation of the Chinese nation, and in the broad sense it's a powerful impulse of the Chinese and world revolution." (Footnote 19) (QIANJIN BAO, 18 December 1925)

The assistance of the VKP(b) [All-Union Communist Party of Bolsheviks] and the Comintern of the Chinese revolution in training cadres and the tedious work with the Chinese revolutionaries who were being taught in the USSR were one of the most important factors in forming and developing a Marxist-Leninist course in the KPK and a living manifestation of proletarian internationalism, which was and remains the cornerstone of all CPSU international policy.

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

SOVIET WRITER PREDICTS GOOD RESOLUTIONS FOR LOCAL PROBLEMS

Tunis AL-SABAH in Arabic 24 Feb 86 p 7

[Interview with Pavel Demchenko: "Soviet Aid's Effectiveness Would Be Greater in the Context of a Clear Arab Position"]

[Text] Question: What are the causes for the retrenchment of the Soviet presence in the arena of peaceful efforts to resolve the Middle East issue?

Answer: The lengthy character of the Middle East crisis has engendered a view in some Western circles which holds that it is not possible in general to settle it, but the Soviet Union has not taken such a view at all.

It has presented an integrated program for settling the Middle East issue. This program is founded on the following principles:

First, the Israeli forces must withdraw from all territories occupied since 1967. These are the West Bank, the Gaza Strip, the Golan Heights, the eastern portion of the city of Jerusalem, southern Lebanon and the Taba area. In other words, Israel must not enjoy the fruits of its aggression.

Second, the Palestinians must be granted the right of self-determination, in order to realize the establishment of their independent country. In formal terms, the United Nations General Assembly gave them this right in 1947, but the opportunity for establishing their own country has never in reality been given to the Palestinians. Therefore, justice must be restored to its proper place.

Third, the countries of the Middle East must be provided with guarantees of mutual security.

As historic experience has shown, it is extremely difficult to bring this about. Therefore, our recommendations stipulate international guarantees on the part of the international Security Council, bearing in mind that the Soviet Union is prepared to take part in providing such guarantees.

Finally, Soviet diplomacy recommends an invitation to the holding of an international conference with the participation of all the parties concerned, as in effect a form and means for achieving a just settlement.

Question: What are they?

Answer: Above all else, the countries harmed by Israeli aggression, the Palestine Liberation Organization and Israel, as well as the Soviet Union and the United States. In addition to that, some other countries which belong to the international Security Council or the Arab League, for example, can participate in it. This sort of broad composition of conference participants will have the effect of guaranteeing a comprehensive position on the Middle East issue and its resolution on the most equitable bases.

We proceed from the premise that individual deals cannot cause peace to prevail in the Middle East, since the issue must be resolved in an integrated fashion.

[Question] Do you consider that the Soviet Union's efforts in giving this idea concrete form have been attenuated?

[Answer] Not at all. It is struggling to give them concrete form on various levels in the United Nations and in the context of bilateral relations with the Arab and Western countries.

However, that is no longer the sole arena for Soviet activity in the Middle East, which embraces not just politics and diplomatic activity but also economic, cultural and military relations as well. As an example of that, we can point to Soviet-Syrian relations.

If we analyze relations of cooperation between the Soviet Union and the Arab countries, it will be clear that they are developing and growing deeper year after year. This cooperation is directed at enabling the Arab countries to assume strong positions in the struggle for peace and to work with greater confidence to realize a just settlement.

However, the negative aspects of the conditions which perforce seek to obstruct the peaceful efforts the Soviet Union is exerting must not escape us either. Here we talk first of all about the absence of a unified strategy and tactics among the Arab countries themselves vis-a-vis a settlement in the Middle East. They are even absent in the case of such a pressing question as the Palestine cause.

It is obvious that the effectiveness of Soviet support would increase if the Arab countries themselves advocated a clear position.

Question: Can you explain the Soviet position on the Palestinian dispute, relations between the Liberation Organization and Syria, joint efforts among Jordan, the Liberation Organization and Egypt and the situation in Lebanon to us?

Answer: In the practical sense I answered that question earlier. The Soviet Union is in favor of interaction among all the forces of the Arab liberation movement, whether that involves Syria, the Palestine Liberation Organization or Jordan. The problem is that this interaction has recently been subject to disruption, and that is giving Israel and the United States an opportunity to obstruct the peace process.

Talking about Lebanon, we can find that the situation that is emerging there is totally tragic. The people are divided among themselves and all attempts at a truce and national reconciliation have been frustrated. This is also pleasing to Israel, and I believe that the time has come for the Lebanese leaders to go beyond national, indeed Arab positions in general in order to preserve Lebanon as a unified country and restore peace and prosperity to it.

Question: What is your appraisal of the Geneva summit? Do you anticipate an improvement in relations between the two superpowers?

Answer: The political results of the meeting between Mikhail Gorbachev and Ronald Reagan in Geneva produced were positive, but that is a first step on a long road. The initial signs, although they are not great, show an improvement in the international climate. I believe that this course will continue, and as a consequence it will not be long before that is reflected on the situation in the Middle East as well.

Question: Do you anticipate a peaceful end to the situation in Afghanistan soon?

Answer: Yes, although that is not happening at present. Mikhail Gorbachev has said that we want that very much and will do everything in our power to bring that about.

In conclusion, I would like to send best wishes to the family of the newspaper AL-SABAH AL-USBU'I and its readers.

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

ARAB ECONOMIC COOPERATION DISCUSSED WITH SOVIET OFFICIAL

Tunis AL-SABAH in Arabic 24 Feb 86 p 7

[Interview with Yevgeniy Osadchuk by 'Abd-al-Salam al-Hajj Qasim: "Relations between the Soviet Union and Tunisia Are Carrying on"]

[Text] The workings of the 27th conference of the Soviet Communist Party will begin tomorrow in Moscow. This time it will be marked by the presence of relatively youthful leadership at the head of the Soviet state and the appearance of liberal, positive tendencies, especially in the economic and social area, supporting a realistic attitude toward major international issues, especially the issue of disarmament.

AL-SABAH AL-USBU'I got in touch with some Soviet figures in various fields on this occasion and held two conversations, the first with Mr Yevgeni Osadchuk, vice chairman of the government committee for foreign economic relations, and the second with Mr Demchenko, political supervisor of the Soviet newspaper PRAVDA.

Question: What new things are likely as far as Arab-Soviet economic cooperations goes? What are the new areas toward which one can turn?

Answer: Before all else, I would like to point out that offering the liberated countries economic and scientific technical aid in developing their domestic economies and realizing economic independence is a policy of principle in Soviet foreign policy, and it has also found a reflection in the plan governing the main orientations of economic and social development in the Soviet Union for the years 1986-90 and the period extending to 2000. This document stresses the need to continue deepening cooperation with the developing countries, help them use their natural resources in domestic production, increase the commodity materials in these countries, get their domestic economy to emerge and grow and have them continue along the road of progress and independence.

This all concerns economic and scientific technical cooperation between the Soviet Union and the Arab countries as well, to the fullest extent. We are now successfully developing these relations with 15 Arab countries in the Middle East and Africa. I can reassert that these relations are enduring in character and the volumes of commitments resulting from agreements, their rates of execution and the annual volumes of exports of Soviet equipment and building materials there for the purpose of building various domestic economic projects are growing on a stable basis.

Factories which have been built with the aid of the Soviet Union are the basis of the public sector in many Arab countries, are considered a great source of revenues and hard currency flowing into the government's budget, and can be characterized by high economic feasibility. Let us take for example the oil production industry in Syria. This industry, which was established with the aid of the Soviet Union, brought in almost \$10 billion in revenues at the beginning of 1983, which thus was more than six times greater than all the expenses on oil production and exploration since 1958.

We maintain fruitful relations with the Republic of Tunisia. This was reaffirmed during the visit which the Tunisian minister of equipment and housing, Mohamed Sayah, made to our country last year. Our Tunisian colleagues, in the course of 25 years of cooperation between us, managed to make a good study of the Soviet Union's resources related to the performance of its commitments, and the dams in Djamine, Gasab and Zarala, which were designed, built and outfitted with direct participation by Soviet experts, have been successfully operated over a period of a number of years.

The great Sidi Barak hydrotechnical complex and a group of dams on the Tine, Dousmisse and Malah rivers, whose construction is now underway in Tunisia with the participation of the Soviet Union, are tangible steps in the execution of the Soviet-Tunisian government agreement concerning economic and technical development in the hydrogeological area which was signed on 13 October 1983.

Great new agreements were signed with Algeria, Iraq, Syria, Democratic Yemen and other Arab countries in 1985. These in reality define the main trends in joint activity in the period from 1986 to 1990. For example, the agreement with Algeria stipulates the continued development of such areas as ferrous metallurgy, the building materials industry and the construction of water installations. The focal orientation in Soviet-Iraqi cooperation will be electric power and the oil production industry.

Of course these examples do not account for all the approaches and areas in economic and technical cooperation relations between the Soviet Union and the Arab countries. With attention to the new agreements, these countries' share of the general volume of aid we will offer the developing countries in the 12th 5-year plan will be about 40 percent.

It is also worth emphasizing that Soviet-Arab cooperation now possesses rich expertise and resources. As of today, we can find that the shift to economic and scientific-technical cooperation programs will extend to 2000 and horizons beyond that. It has become a pressing need and it is in these programs' ability to advance Soviet-Arab relations to a qualitatively new level and give them the character of a long-term process of extremely mutual benefit.

Question: Does the Soviet Union intend to surge into the area of investment in development projects in certain Arab countries?

Answer: One of the main orientations in economic and technical cooperation between the Soviet Union and the Arab countries is the provision of comprehensive

aid for these countries in establishing and developing key branches which can become a base for strengthening the independence of these countries' domestic economies and dealing with the socio-economic problems that lie before them. For this purpose, when need requires the Soviet Union offers the Arab countries loans on preferential terms and free assistance in some cases by financing the Soviet organizations' expenditures arising from their participation in construction of economic projects. It then makes it easy for these countries to deal with this complex task, such as searching for sources for major investments for economic development purposes in the framework of these circumstances.

In no developing countries, including the Arab countries, do Soviet organizations own the factories they build and the areas of services which they discover in the context of joint cooperation in their ownership in any form. They do not share, either, in the profits collected from operating the projects the countries have built with the aid of the Soviet Union, regardless of the magnitude and form of the Soviet institutions' participation in their construction.

This is one of the basic principles of Soviet foreign economic policy.

Question: Are there problems with debts between the Soviet Union and some Arab countries?

Answer: The volume of economic aid the Soviet Union offers developing countries is extremely great. It is constantly increasing, under circumstances where the Soviet economy is developing and its efficiency is increasing; as a result of this the volume of the loans that are invested in the area of cooperation is also increasing.

In regard to its cooperation with the developing countries, including Arab countries, the Soviet Union relies on optimum forms of joint accounts which take account of the two parties' interests and are founded on the realistic resources of the countries which are parties to the cooperation. For example, some aid is given on a basis of compensation, where the loans granted are paid off through the delivery of goods produced by means of traditional exports.

Other forms and methods are used which are also founded on principles of equality and mutual benefit. All this keeps what is called the problem of debts far removed from the process of economic cooperation between the Soviet Union and the developing countries, including the Arab ones.

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SUB-SAHARAN AFRICA

U.S. 'ANTI-ETHIOPIAN' ATTITUDE, ACTIVITIES CRITICIZED

EA211319 Moscow International Service in Amharic 1530 GMT 20 Mar 86

[Georgiy Tanov commentary from the "Africa as We See It" program]

[Text] The African subcommittee in the U.S. Congress foreign affairs legislative committee has adopted a special law on Ethiopia designating it as a member of the communists. This is another piece of evidence of Washington's effort to spoil the situation in Ethiopia. This anti-Ethiopian activity by the U.S. has been strengthened since the inception of the Workers Party of Ethiopia [WPE] in 1984, says Georgiy Tanov. This situation is not aimed at helping Ethiopia overcome the drought problems she faces and is another act in the continuing enmity. It is possible to mention other examples: carrying out activities of political enmity; enabling Israel to airlift Ethiopian Falashas; supplying arms to secessionist groups; and deploying CIA members to carry out sabotage activities. Efforts have been made to spoil relations with Ethiopia's neighbors. This is an attempt to pressure the government to change its political stand by using the drought problem as a tool. Hence the economic sanction taken by the subcommittee of the U.S. Congress' foreign affairs legislative committee is a sign of enmity against Ethiopia.

There is also the intrigue against the resettlement programs in the drought-stricken areas. Washington's intrigues to create political and economic crises in Ethiopia have failed. The WPE, with the help of friendly socialist countries and organizations of other countries and governmental bodies has managed to get the situation under control. Preparations are under way to establish the Peoples Democratic Republic of Ethiopia. The struggle also continues to avoid foreign assisted secessionist forces. Nevertheless the East African military exercise codenamed "Bright Star" is aimed at Ethiopia.

U.S. dreams of changing the course of events in the Horn of Africa cannot, however, be realized since the overthrow of the Numayri regime in Sudan. The talks held among six East African heads of state in Djibouti in December is evidence of this. U.S. anti-Ethiopian activities are linked generally with political interference in developing countries. Reagan's principles [words indistinct] and political (?neocolonialism). The two principles are correct in the U.S. sense because they conform with the U.S. international policy of [words indistinct] and this is an act of enmity aimed at progressive governments, progressive causes, and antiapartheid forces and governments.



U.S. enmity is seen pressuring progressive governments and supporting (?anti-government) organizations by using all the means at its disposal. Listening to Chester Crocker's report on anti-Ethiopia statements by the U.S. legislators is another example. He has pointed out that Africa plays a large role in the Pentagon's plans and hence the need for exploitation of African raw materials by U.S. companies. He has also called on the U.S. Congress to step up its military assistance to African countries. This assistance is channelled to countries who support U.S. political and military principles. "Tell me your friends and I will tell you who you are," goes the old saying.

Ethiopia, Angola, and other African countries, Nicaragua, Cambodia, and Afghanistan have therefore been labeled the major enemies of Washington because they are "communists." Yet, the racists of South Africa, the anti-Angola people terrorist group of Savimbi, Contras of Nicaragua, Afghan bandits, and their likes were named as closest friends and allies of the United States. Imperialism is not willing to understand the objective reality of modern politics. It is violating the rights and interests of peoples of independent countries, stopping them from deciding on their own development paths. This was pointed out in the new publication of the 27th CPSU General Congress Party Program.

Our commentator concluded his comments by saying the outcome of U.S. interference in Africa is the U.S. policy of enmity and terrorism.

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