































































































































It is obvious that this proposal is hardly in keeping with the degree of development and maturity attained by the antidictatorial movement of the Paraguayan masses who are staging demonstrations and demanding the immediate departure of the dictator from Government House.

In light of these developments, the proposal to participate in the tyranny's electoral farce could be construed as an attempt to undermine the anti-dictatorial onslaught of the people and counsel resignation. This would give the dictatorship a respite.

Staunchly antidictatorial Paraguayan organizations that belong to the Dr Gaspar Rodriguez de Francia Paraguayan Liberation Movement and other groups are willing, in principle, to participate in elections, but these elections must be held after the tyrant is overthrown, so an atmosphere of total electoral freedom can be enjoyed, and after all the political prisoners have been released and the exiles have been allowed to return to their fatherland.

/8309

CSO: 3348/672

## LATIN AMERICA AND CARIBBEAN

### SOVIET-PERUVIAN TREATY ON CULTURAL, SCIENTIFIC COOPERATION

Moscow SOBRANIYE POSTANOVLENIY PRavitELSTVA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian No 8, 1986 pp 115-119

[Text] The agreement between the Government of the Union of Soviet Socialist Republics and the Government of the Republic of Peru on cultural and scientific cooperation.

The government of the Union of Soviet Socialist Republics and the government of the Republic of Peru, desiring the strengthening of friendship between the peoples of both countries along the path of cooperation in the areas of culture, education, science, art, publishing, radio and television broadcasting, cinematography, sports and other cultural and scientific activities, on the basis of the mutual respect for the principles of national sovereignty, equality, and non-interference in each other's internal affairs, agree to the following:

#### Article I

The Contracting Parties will assist the reciprocal familiarization of the achievements in the areas of education, science, and culture of each country. Toward this goal, they will encourage the translation and the dissemination of literary and scientific works of reciprocal interest to the other Party. They will also exchange information relating to the achievements in the areas of education, science, art, and literature, and publications of a cultural and scientific nature which include encyclopedias, school books, and others.

#### Article II

The Contracting Parties will further promote cooperation between their educational, scientific and cultural establishments by means of exchange of publications and informational materials on the profile of the corresponding establishments: film, dramatic and musical presentations, phonograph records, microfilms and materials on tourism.

#### Article III

The Contracting Parties will further promote the implementation of reciprocal visits by scientific workers, scholars, teachers from institutions of higher learning, writers, composers, orchestra conductors, theatrical producers, cinematographers, television and radio directors, journalists, artists, and art groups, and also other figures and specialists in the areas of culture, education, science, and art in an effort to develop ties and the exchange of information in the stated fields.

#### Article IV

Each of the Contracting Parties will hold on their own territory exhibitions of the art, science, culture, and the educational system of the other party. They will also promote sporting events, film and theater festivals, concerts and theatrical productions with the goal of better mutual familiarization with the achievements in the stated fields of both parties.

#### Article V

Each of the Parties, with the goal of assisting the familiarization with the achievements of the cultures of the Union of Soviet Socialist Republics and the Republic of Peru, will render assistance so that the figures of science and culture of the other country are invited to participate in congresses, conferences, festivals, and other international measures of a cultural or scientific nature, which happen in their countries.

The Contracting Parties will render assistance with the instruction of the Russian and Spanish languages in the Republic of Peru and the Union of Soviet Socialist Republics respectively.

#### Article VI

Each Party will protect in their own territory with respect to the provisions of the International Convention on Copyright Laws, and also the corresponding national legislatures laws on works of science, literature, and art of the other Party, supporting the collaboration between the organizations for the protection of copyrights, publishers, and/or possessors of these rights in their own countries, so as to assist in the dissemination of the stated works in the USSR and the Republic of Peru accordingly.

#### Article VII

Each of the Contracting Parties will respect the judicial regulations of the other Party about the protection and use of historical and cultural monuments, touching upon the prohibition of their exportation across the borders of their country, with the exception of the instances when it fulfills the basis for special agreements which are correctly issued, with the designated internal legislation of each Party. The Parties will exchange texts of this corresponding legislation.

#### Article VIII

The Contracting Parties, on the basis of the principles of reciprocity, will assist in the temporary importation and exportation of their valuables, which relate to the national cultural property, for the exhibition in shows of a cultural character in the territory of the other Contracting Party by the terms, specially determined for each case through special reciprocal negotiations between their competent state institutions.

The countries in which the stated cultural treasures are being exhibited will guarantee the fulfillment, without fail, of the formalities for their importation, protection in their territory, careful handling of them, full preservation and the return in good time to the country which gave them for export.

#### Article IX

Each Contracting Party, in accordance with their own possibilities, will strive to satisfy requests by the other government for specialists in the areas of culture, education, science, art, and in other areas of culture which will work in another country under the conditions determined by contracts between competent organizations from both countries. The principal regulations of these will be: the length of sojourn the extent of the salary, specific type of activity, the conditions of mutual accounting, place and the designation of the Parties' institutions according to the contract.

#### Article X

Each Contracting Party, within their possible limits, will grant to the other party stipends for students in institutions of higher learning and in graduate schools. They will also grant stipends for the perfection of theoretical, practical, and research knowledge in the areas of education, science, technology, culture and sports. The scholarship students will be obliged to fulfill the regulations of each Party's conditions for receiving the stipend. These stipends will be approved beforehand by the competent organizations of both Parties.

#### Article XI

Corresponding to their own internal legislation, each Contracting Party will recognize diplomas and evidence of education, as well as teacher and student degrees and titles, which are received and awarded to citizens of one Party in the other's teaching centers.

For the specification and establishment of a norm for mutual recognition of documents on education, students degrees and titles received in the USSR and the Republic of Peru, the Contracting Parties are mutually interested in conducting negotiations with the goal of signing a protocol on the equivalency of documents on education, school degrees and titles.

#### Article XII

The Contracting Parties will further assist in the development of cooperation between their corresponding sporting organizations in the areas of sports and physical culture, encouraging exchange of sportsmen and specialists, and even conducting sporting events and competitions.

#### Article XIII

Following the aspirations for better familiarization with the life and culture of both people, the Contracting Parties will encourage the development of tourism between the two countries.

#### Article XIV

By negotiations, which will be held every two years through diplomatic channels in Moscow and Lima alternately, the Contracting Parties will draw up a reciprocal program of measures for the implementation of the present agreement, in which will be financial and material conditions for a specific form of cooperation for the regulation of cultural exchanges envisaged in the present agreement.

#### Article XV

The present Agreement takes effect from the day of the exchange of notes, by which the Parties inform each other of its approval by the established procedure of their respective legislatures.\*

#### Article XVI

The agreement will be in effect for five years and will continue to preserve its own power after the designated term until one of the Parties declares its intention of renouncing the Agreement. The Agreement can be terminated one of the parties by means of a written notification of such. In that case the Agreement will continue for six months or until the completion of the programs which would at that moment be in the process of implementation.

Concluded in the city of Lima on 27 May 1985 in duplicate, each in Russian and Spanish, yet both texts have the same authority.

For the Government of the  
Union of Soviet  
Socialist Republics  
A. Filatov

For The Government of the  
Republic of Peru  
L. Perkovich

\* The Agreement was put into effect 17 December 1985

CSO: 1807/336

LATIN AMERICA AND CARIBBEAN

TABLE OF CONTENTS: LATINSKAYA AMERIKA NO 5, MAY 86

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 3-4

[Text] EDITORIAL COLUMN

- The 27th CPSU Congress: to the New Frontiers of Scientific Inquiry..... 5  
M. A. Oborotova The USA Against Nicaragua: The Previous Course..... 9  
Yu. M. Grigoryan The Industrial Revolution in Argentina and Brazil.. 22

REPORTS

- E. L. Belyy Latin America and the Arab World..... 38  
A. N. Borovkov Mexico: in the Search for a Solution to the Crisis.. 44  
V. N. Chigir The Elaboration of the Cuban Revolution's Agrarian Program (1925-58)..... 52

MEETINGS AND INTERVIEWS

- Our Goal--the Development of Argentine-Soviet Cultural Relations (Interview with Carlos Gorostiza, Argentine secretary of state for cultural affairs and Carlos Alberto D'Ebole, president of the Society of Argentine Writers)..... 61  
Women in a Revolution (A Talk With the Leaders of the Women's Movement in Nicaragua)..... 69

DISCUSSIONS, DEBATES

- Common Features, Differences and the Interaction of Literary Processes (a Meeting at the Central Writers' Home)..... 73

REMINISCENCES

- "I Have Been and Continue to be a Simple Soldier of the Revolution...." Jeronimo Carrera, a Member of the Venezuelan CP Central Committee Describes His Life and Struggle. A. A. Sukhostat's Literary Notes (Conclusion)..... 91

PAGES FROM HISTORY

- M. S. Alperovich Miranda in Kiev.....107

USSR-LATIN AMERICA

- A. I. Leontyev Welcome to the International Friendship Club.....118

ART AND LITERATURE

- "A Work of Art Is Always a Message to One's Contemporaries"  
(An Interview With Mexican artist Victorfederico).....119

THE BOOKSHELF

- V. P. Tulayev: Jose Carlos Mariategui, "Correspondencia (1915-1930)," Lima, Amauta, 1984. In two volumes.....123  
Yu. N. Korolev: A. A. Petukhov and Ye. M. Churilov, "Nepokorennyy vulkan" [The Indomitable Volcano], Moscow, Politizdat, 1985.....127  
B. M. Merin and Z. V. Ivanovskiy: R. I. Zimenkov, "Amerikanskiy neokolonializm na sovremennom etape (ekonomicheskiye aspekty) [American Neocolonialism in the Present Stage (Economic Aspects)], Moscow, Nauka, 1985.....128  
Ye. G. Kuznetsova: Manuel Martinez del Campo, "Industrializacion en Mexico (hacia un analisis critico)" [Industrialization in Mexico (Critical Analysis)], Mexico City, 1985.....130  
V. B. Zemskov: P. A. Pichugin, "Korridos meksikanskoy revolyutsii" [Corridos of the Mexican Revolution], Moscow, Muzyka, 1985.....132  
O. I. Vypova: Gerard Pierre-Charles, "El pensamiento sociopolitico moderno en el Caribe" [Contemporary Sociopolitical Thought in the Caribbean], Mexico City, 1985.....132  
A. R.: S. N. Kosobchuk and M. A. Fatovskaya, "Kratkiy russko-ispanskiy i ispansko-russkiy ekonomicheskiy slovar [Short Russian-Spanish and Spanish-Russian Economic Dictionary], Moscow, Russkiy yazyk, 1985.....133

COMMENTARY

- Yu. A. Pogorelov, "The Bolivian Workers' Center: The Experience of Recent Years".....134  
P. N. Boyko, "The People's Front".....137  
Rogelio Gonzales (Paraguay), "Guarani--The Language of an Unconquered People".....139

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

5013

CSO: 1807/298

LATIN AMERICA AND CARIBBEAN

CPSU PROGRAM, CONGRESS REPORT ON TASKS FOR LATIN AMERICANISTS

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 5-8

[Article: "The 27th CPSU Congress: to the New Frontiers of Scientific Inquiry"]

[Excerpts] The 27th Congress of the Communist Party of the Soviet Union has become an event of truly fundamental importance in the development of Marxist-Leninist theory. The political report of the CPSU Central Committee, the new Party Program, and other materials of the congress are documents of enormous innovative force and international significance.

Such a grandiose task obligates social scientists to reappraise and analyze all key factors and trends in world development and to project what they might become in the future. In this regard, new, higher demands are also made on Soviet Latin American studies [otchestvennaya latinoamerikanistika], on their correspondence to the course of historical time, to the logic of what is happening in the region and on an international scale. The range and depth of current research are dictated by the fact that Latin America which, at the same time that it is a considerable part of the contradictory but largely integral world community, is also a unique "minicopy" of the community, is a region that is characterized by our era's opposing trends and alternatives, by the formation of new (side by side with old) structures that determine the similarity and sameness of development of Latin American countries with the leading world trends as well as the uniqueness and diversity of the reality of each of these countries

Understanding the general and the particular presupposes a daring, revolutionary formulation of long-range creative tasks. "The methodology of dialectical materialism," the new Program of the CPSU states, "has been and continues to be the basic, tested foundation of natural scientific and social cognition; it must be creatively developed further and must be skillfully applied in research work." Today, this activity must be directed not only toward recording and disclosing individual facts and phenomena, but also toward their systematization and conceptualization with the aim of ascertaining the most effective ways and means of overcoming backwardness. There is also an urgent need to orient creative thought toward the substantiation of the necessary measures for the accelerated integration of the region in world development in the interest of the peoples inhabiting the

region. Unless the scientific base is developed in greater depth, these problems will be unsolvable.

Progress in our time is rightly equated with the successes of socialism. An example of this in Latin America is Cuba. But there must also be progress in studies of the fruitfulness of its experience. Such is the obligation imposed by the decisions of the 3d Congress of the Cuban Communist Party and its progress in social and scientific-technical areas and in international specialization and cooperation in production. The very newness of the social tasks addressed in Cuba and its specific approach to the utilization of all of socialism's potential and advantages for overcoming backwardness and for reaching the highest levels of development open up major perspectives to Soviet Latin American studies.

The course of social progress is closely associated with the national liberation movement. Here, too, among the numerous questions that confront the countries in the region in this area, there are many questions the answers to which are not yet known, questions that must urgently be answered in the face of the new, burning problems that arise. As we know, most Latin American countries participate to one degree or another in the antiimperialist struggle. Its development in the region has a long history, distinguishing features, and characteristic traits. They are to a considerable degree determined by the conditions of the relatively belated development of capitalist production relations on the continent and the specifics of manifestation of the law of uneven development of capitalism under these conditions which has resulted in the sharp differentiation of Latin American countries. This differentiation has intensified in recent years under the influence of the process of transnationalization. As a result, the peoples of a number of the most backward countries in the region are very urgently confronted with the problem of national rebirth. The problem is successfully addressed by the Sandinista revolution which is a model of the movement toward progress and which is of great scientific-political interest. The point at issue in the given instance is the need for a more creative study of long-range dynamic social processes that are born of the dialectic of the struggle for liberation in regions of the developing world.

No less urgent and important tasks also arise in connection with the centripetal tendencies of capitalism in its Latin American periphery. The basic problem is: what are the new contradictions introduced into regional and world development by this process? In the elaboration of this problem, the Political Report of the CPSU Central Committee to the 27th CPSU Congress concentrates primarily on the all-round analysis of the economic and sociopolitical consequences of the mounting contradiction between transnational capital and the national-state form of developing society. This also has a direct bearing on the question of whether the scientific and technological revolution will serve the cause of independent development or whether it fail to fulfill its progressive function on the periphery, thereby aggravating the entire complex of problems inherent in backwardness--the major worldwide problem of modern time.

There is an especially powerful ring to the pronouncement of the 27th CPSU Congress that "creative analysis and the vision of the future have led us to a very important conclusion. Today as never before, it is important to find closer and more productive cooperation with governments, parties, social organizations and movements that are truly concerned over the fate of peace on earth and with all peoples for the sake of the creation of an all-embracing system of international security." It is difficult to realize this lofty goal without a practical return on science. New phenomena in mass social movements, changes in society's social structures, in the activity of national and regional social and political organizations in Latin America that are struggling for peace, democracy and progress require careful study. The modern history of the region and its sociopolitical and international development offer favorable soil for creative search in this direction. Take, for example, the "Contadora process," the movement of "lower Christian communes," etc. It is difficult to exaggerate the significance of research on problems of the communist and labor movement in the region and its role in the liberation struggle. All this is all the more important because the party's policy of solidarity with the forces of national and social liberation continues to be invariable.

The innovative principles and conclusions of the 27th CPSU Congress give great creative impetus to Soviet Latin American studies, which must cover the wide-ranging spectrum of the topics and theoretical problems discussed at the historic forum of Soviet communists.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

5013

CSO: 1807/298

## LATIN AMERICA AND CARIBBEAN

### INTERNAL POLITICS OF U.S. INVOLVEMENT IN NICARAGUA DESCRIBED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 9-21

[Article by M.A. Oborotova: "The USA Against Nicaragua: The Previous Course"]

[Text] One and one-half years have already passed since R. Reagan's reelection as U.S. president. The events of this period have clearly shown that Washington still has no intention of becoming reconciled to the existence of independent Nicaragua.

The threat of intervention in Nicaragua increased in the very first days of Reagan's second term in office. At that time, there were too many indications that the USA might resort to direct armed intervention in that country's affairs.

There was no longer any need to reckon with election campaign promises that had previously hindered the implementation of the administration's aggressive plans in Central America. The first four years of the Republican administration's term of office convincingly showed its preference for maintaining a hard line on Nicaragua. Economic sanctions; attempts to destabilize and isolate the Sandinista government in the international arena; the establishment and arming of a 15,000-man counterrevolutionary army for waging the "secret war"; the development of plans for direct and indirect intervention; and sabotaging the activity of the "Contadora group"--such was the by no means complete list of U.S. actions against Nicaragua in 1981-84.

The Republican Party platform adopted in August 1984 eloquently attests to the fact that no softening of [U.S.] Central American policy is foreseen. There has not even been any attempt to find new formulations to substantiate the power policy in the subregion. The platform repeats the old cliches about U.S. security interests in Central America, "communist expansion" in the subregion, Nicaragua's "aggressive intentions," etc.<sup>1</sup>

Expressing their approval of such actions by the administration, the Republicans wrote the following words in the platform: "We applaud the liberation of Grenada. We honor those who took part in it."<sup>2</sup> There is scarcely any need to speak about the actions that could be supported by a

party that openly expressed its delight concerning the most shameful episode in American history.

The Democratic Party--the Republicans' adversary--is in a state of deep crisis. The pressure that it could exert on the administration's activity depended in large measure on the new alternative it could present to Republican policy. After the elections, however, this alternative was totally nonexistent and Democrats were divided on the majority of political issues. Thus, the grouping of traditional liberals in the House of Representatives opposed Reagan on practically every issue while the conservative faction expressed agreement with the president's approach. In the lower house of congress, there also formed a group of Democrats that refused to openly oppose Reagan, who had won the election by an impressive margin, that showed an inclination to compromise in the hope of "taking revenge" if he made a mistake. All this made it difficult to create an effective opposition to Republican policy, inter alia, in Central America.

At the same time, there has been serious, gradual change in the thinking of the American masses. Let us look at the most vivid examples. The intervention in Grenada in October 1983. A significant percentage of the Americans support a policy based on strength, including intervention, if it does not entail heavy human and material losses. The unknown American soldier killed in Vietnam was buried in May 1984. Americans, closing their eyes to the "sad" pages of their nation's history, applauded the veterans they had previously greeted "with a mixture of indifference and open hostility,"<sup>3</sup> acknowledged them as national heroes. The Olympics in July 1984. The sharp rise of chauvinism in the USA. Americans perceive the victory of their countrymen in the games (in which the best athletes from a number of countries in the world did not participate) as evidence of the rebirth of U.S. might. There was an end to doubts, hesitation, and pessimism. TIME magazine described the feelings of Americans during the Olympics in the following words: "They saw the American torchbearer crossing America. But perhaps they also saw an American running from Spenglerian gloom...Running from a recession, which almost all Americans were probably unconsciously thinking about, from the Carter sickness, from the gasoline shortage, from the hostage situation and the feeling of American helplessness, from failure, narrowness and passivity, from dishonored presidents and a lost war. From what has become America's inferiority complex." Further: "Owing to a secret conspiracy of time, alchemy, sophisticated television technology and a happy economy, the nation acquired a feeling of unity and optimistic self-confidence that it had not known for a whole generation."<sup>4</sup>

The cited examples unequivocally indicate that the "Vietnam syndrome had waned, that the United States was gripped by a wave of so-called "new patriotism"--a complex conglomerate largely of old sentiments that reigned in the nation in the fifties. The feeling of national humiliation gave way to a feeling of national superiority, the inferiority complex became a superiority complex, doubts concerning America's strength and potential yielded to certainty as to its omnipotence, guilt feelings over crimes committed gave way to admiration for heroism, pessimism and skepticism yielded to optimism.

These feelings were for a long time fostered "from above" by the efforts of the Republican administration which inaugurated a policy of overcoming the "Vietnam syndrome." They also had a material foundation--favorable business conditions. The significant improvement in many American economic indicators in 1983-84 unquestionably had an impact on the nation's psychological atmosphere, restoring Americans' lost hopes in the future. Another factor that operated in favor of the "new patriotism" was the fact that a new generation that remembered little or knew nothing about the Vietnam war had grown up in the past decade. And finally, a most important part was played by extraordinary tenacity in the mass mind of the ideas of "God's design," "American exclusiveness," indisputable superiority, imperial ambitions, nationalism and chauvinism.<sup>5</sup> As a result, the nation developed a psychological atmosphere that could nurture and intensify the continuation and intensification of a reactionary, hegemonistic foreign policy that flouts the norms of international law.

After Reagan's reelection, a group of ultra-hardliners on Nicaragua within the Republican administration, who called for the overthrow of the Sandinista government, stepped up their attempts to obtain sanction for the use of military force. There was unquestionably a certain logic in their actions: all previous means of struggle against Nicaragua, even though damaging that country, had not produced the desired results. The elections in Nicaragua showed that the majority of the population supports the Sandinista National Liberation Front despite the economic difficulties. It is not surprising that certain American politicians consider intervention to be the most effective means that would make it possible to cut the Gordian knot and put an end to revolutionary Nicaragua with a single blow. The situation in the USA following the presidential elections was thus in some ways even more propitious for an armed strike against Nicaragua than during Reagan's first term in office. Nevertheless, there were numerous factors that militated against immediate intervention. Paradoxical though it may seem, the primary concern was the mood of the American public.

Soon after the elections, there was evidence that the sentiments of the U.S. masses on foreign policy matters were varied. On the one hand, the facts showed that the "Vietnam syndrome" was abating. However, on the other hands, the polls showed that the public not only considered the Vietnam war wrong, but was also becoming increasingly skeptical of the use of military force abroad. According to one of these polls, in 1965 24 percent of the Americans called the Vietnam war a mistake; in 1971-73--56 percent; and in March 1985--64 percent. Seventy-five percent of the Americans have expressed the opinion that the White House should show more caution in the use of military force and only 17 percent favored the more active use of the U.S. armed forces in foreign countries.<sup>6</sup>

The public's attitude on this very important issue in U.S. foreign policy clearly contradicted the logic of the "new patriotism." One can only speculate regarding the reasons for this disparity. The first of them was probably rooted in the contradictoriness of the American social consciousness in which the striving for superiority was combined with the reluctance to risk paying too high a price for a dubious victory in some foreign country. The second reason in all probability was that the evolution of public sentiment

had not yet reached the final stage where the goal justifies any means. The third reason was probably that the poll included not only idolators of an "all-powerful America" but also included those Americans whose voices were drowned out by the cacophony of the "new patriotism," i. e., that part of the population which, not having a short historical memory, was not inclined to support military adventures.

Regardless of the reasons behind Americans' caution on the question of using military force, the result of these sentiments was beyond a doubt--the administration lacked the confidence that the necessary part of the U.S. public would support intervention in Central America.

As shown by debate in the USA on the use of the armed forces in foreign countries, American public opinion was of no little significance to the Reagan government.

G. Shultz and C. Weinberger were the principals in the debate. Neither the secretary of state nor the secretary of defense spoke out against the use of U.S. military force abroad. At the same time, both statesmen pointed out that military force should be used only as a final resort, i. e., when vitally important national interests were at stake and all other means of exerting pressure had failed. Nevertheless, Weinberger believed that before the administration sent forces overseas, it should have the support of the American people and congress. Shultz, on the other hand, did not believe that public support could be guaranteed in advance, but that it depends on the ability of the authorities to "act intelligently and effectively."<sup>7</sup>

With regard to intervention in Nicaragua, the administration lacked both the guaranteed support of Americans and the possibility of acting "intelligently and effectively." In the opinion of THE ECONOMIST, an authoritative journal, U.S. armed forces could easily occupy Nicaragua's major cities, but would be unable to subdue the majority of the country's population which would commence guerrilla warfare under the leadership of the Sandinistas.<sup>8</sup>

The resolve of the Nicaraguans to fight to the last drop of blood is beyond question. "We know that they (the Americans) may be victorious over us. But they will have to rule over skeletons and ashes. I prefer that my children die rather than live under [the Americans'] heel. We shall continue to struggle. We shall struggle to the end. We shall win or die." These are the words of a simple Nicaraguan woman to an American journalist. This is what another Nicaraguan told him: "...if we are unable to do anything more, every survivor will again return to the mountains. And we will start everything over again from the beginning. The Americans always want fast results. But not everyone is like them. The Vietnamese fought almost 30 years against the French and almost another 11 years against the USA. The Americans supported the Somozans and the National Guard and we had to fight them for 50 years, but we won because our people was unified. We will fight another 50 or 100 years. Our children will fight and their children will fight."<sup>9</sup>

The "limits to intervention" in Nicaragua were at hand regardless of whether the viewpoint of Shultz or Weinberger was taken as the basis. They were supplemented by certain other factors that were of no less importance,

specifically: the policy of negotiations with the USSR, which narrowed the potential for solutions based on military force; and the solidarity of socialist countries and other countries of the world with Nicaragua.

As a result of this, the administration was confronted with a difficult question: what to do with Nicaragua when armed intervention is difficult and in any case, when its preparation takes additional time and effort, in particular, the brainwashing of the American public and the weakening of the defensive capability of that Central American nation? Of course, it was out of the question to leave Nicaragua alone and to permit the country's legally elected government to pursue its own foreign and domestic policy. The political philosophy of the members of the Republican administration excluded the possibility of such a solution. At one of the first press conferences following his reelection, Reagan declared with remarkable candor that the aim of U.S. policy on Nicaragua is to change the "existing structure" of the Sandinista government. The practical meaning of this was explained a day later by Shultz, who advanced the demand for "fundamental change in Nicaragua's behavior in four areas: the termination of relations with the USSR and Cuba and the withdrawal of foreign military advisers; substantial reductions in the size of [Nicaragua's] armed forces; termination of support for the insurgency movement in the subregion; and permission to the armed opposition to participate in the nation's political process."<sup>10</sup> The secretary of state's demands essentially boiled down to weakening Nicaragua's defensive capability and to admitting counterrevolutionaries to power. Referring to the methods by which the USA intended to bring about change in Nicaragua, Shultz declared: "We will acknowledge and welcome such change in Nicaragua's behavior regardless of how it comes about. It matters not the slightest to us whether it is the result of multilateral negotiations organized by the Sandinistas or together with the internal opposition or through the collapse of the Sandinista regime."

The speech by the secretary of state quite clearly defines the contours of U.S. policy in Nicaragua after the presidential elections. It combined with remarkable clarity the policy of creating conditions favorable to intervention on the one hand with undisguised pressure on the Sandinista government on the other.

Following the presidential elections, U.S. pressure on Nicaragua intensified in many directions. In January 1985, the White House unilaterally broke off negotiations with Nicaragua in Manzanillo. Thereafter the government demonstratively refused to recognize the jurisdiction of the World Court in the Hague which decreed that the USA should discontinue its support for armed actions against Nicaragua. Regularly scheduled American-Honduran maneuvers (Big Pine 3) began in February 1985. When journalists asked why the maneuvers were being held in Honduras, U.S. Secretary of Defense Weinberger replied: "We have to familiarize ourselves with the conditions under which American forces will some day have to fight."<sup>11</sup> In the same month, Honduras, El Salvador and Costa Rica responded to U.S. pressure and called off the regularly scheduled meeting of members of the "Contadora group." As a result, the situation in Central America sharply deteriorated.

In an effort to reduce tensions, the Nicaraguan government undertook a number of measures toward the unilateral fulfillment of the Act on Peace and Cooperation in Central America which was formulated by the "Contadora group." On 28 February 1985, it announced that it had declined the assistance of 100 Cuban military advisers and proclaimed a moratorium on the acquisition of new weapons systems. Honduras and El Salvador, however, did not follow this example. The U.S. Government lost no time depicting Nicaragua's peace-loving actions as the success of its pressure policy. It needed this in order to decide once and for all the question of aiding Nicaraguan counterrevolutionaries in its favor. As is known, in October 1984, on the eve of the elections, congressmen, not wishing to oppose Reagan whose popularity among Americans was beyond question, approved giving \$14 million to the "Contras." At the same time, being in large measure in disagreement with the administration on this question, they "froze" the transfer of this fund until February 1985.

On the eve of the renewed discussion on Capitol Hill regarding aid to the "Contras, the administration had little chance that the given measure would have a successful outcome. While no one in the congress was sympathetic to the Sandinistas, hatred for the counterrevolutionaries and disagreement with the government's methods at that moment clearly tipped the scales. Many parliamentarians realized that if they supported the president on this issue, they would subsequently find it much more difficult to oppose the intensification of military intervention in Nicaraguan affairs, which could lead to a prolonged, costly war and possibly even to the next defeat or, at least, to serious costs at the global level.

Broad opposition in Congress and the low effectiveness of the actions of the "Contras" indicated that the administration should refuse to finance them. Was that possible? Evidently not. First, the withdrawal of support for the counterrevolutionaries would be the equivalent of an admission that the administration had been wrong in its policy on Nicaragua. Second, without U.S. aid, the "Contra" forces would be deprived of their principal support and would probably disintegrate. Third, the administration counted on the counterrevolutionaries to create an effective army of occupation that might control the country after the U.S. armed forces made their "surgical" strikes against Nicaragua's major cities and military objectives. Fourth, the "Contras," which inflict damage on the Nicaraguan economy and sow death among the civilian population, are an additional lever for exerting pressure on the Sandinista government. To all appearances, these were the considerations that guided the Reagan administration when it launched the so-called "propaganda battle" in defense of the "Contras." In order to win Congress over to their side, members of the administration tried to create an image of so-called "freedom fighters" that would be acceptable to Americans. "They are our brothers," declared the head of the White House in his 16 February radio address. Several days later, the president compared the counterrevolutionaries with such true freedom fighters as Lafayette, Kosciuszko, the heroes of the French resistance, and Simon Bolivar, and later called the "Contras" the "moral equivalent of our Founding Fathers!"<sup>12</sup> Highly placed members of the administration made similar pronouncements. Nevertheless, the results of the "battle of words" proved depressing to the administration. When, for example, the secretary of state declared in

Congress that the Sandinistas were trafficking in cocaine, T. Weiss, a member of the House of Representatives, declared that this charge was unfounded and a la J. McCarthy, accused Nicaragua. Evaluation of the "propaganda war" in the press was no better. As the WASHINGTON POST wrote: "Reagan distorts his words, calling the 'Contras' 'freedom fighters.' The methods of their struggle--the murder of civilians, the destruction of hospitals and schools, the abduction of nurses and doctors--were so repugnant that Congress voted against the continuation of aid three times. The 'Contras' have been regarded as hustlers and not as freedom fighters."<sup>14</sup>

Sensing that the propaganda campaign was not working, the administration changed its tactics and submitted its so-called "peace plan" to congress. The document called upon the Nicaraguan government to conduct negotiations with the counterrevolutionaries for 60 days, to hold a cease-fire during that period, to organize new elections with the participation of the armed opposition, and to renounce the aid of foreign countries.<sup>15</sup> Reagan also postponed until 1 October 1985 the request for military aid by the "Contras" and announced that \$14 million would be sent in the form of "humanitarian" aid (vehicles, uniforms, drugs, and food).

The U.S. administration advanced a proposal that was obviously unacceptable to the Nicaraguan government on the assumption that the refusal of the Sandinistas to commence negotiations with the armed opposition would force congressmen to change their views. In the event this did not work, the "peace plan" contained one very important addition according to which counterrevolutionaries could use U.S. aid to purchase arms and equipment if after two months the Sandinistas did not agree to the demands of the White House.

Few in congress were deceived by the administration's maneuver. House Speaker T. O'Neill called the plan a "dirty trick"; Democrat N. Mineta called it a "60-day smokescreen."<sup>16</sup> Nevertheless, both Republicans and Democrats stepped up their search for a mutually acceptable agreement with the administration.

Of course, the striving of congressmen for compromise had a point of origin. The class hatred of the Sandinistas gradually did its job. Even many liberals did not wish to stop all aid to the "Contras" in the belief that it was necessary to use this as a means of exerting pressure on the Nicaraguan government. Moreover, among the Democrats there was a certain reluctance to bear responsibility for the defeat of the USA in Central America. J. Jones, a member of the House of Representatives, declared: "If you vote against Reagan, leaving him no alternative, and something goes wrong, the responsibility will be yours."<sup>17</sup> And finally, after resorting to blackmail, the administration confronted legislators with a complex choice. In a secret message to Congress, it stated that the only alternative to pressure exerted by "Contra" forces was the still costlier policy of containing Nicaragua. The White House excluded for the time being the possibility of the "direct application of U.S. military force," but unequivocally warned that "this course, considering our stakes in the subregion, must be realistically recognized as a possible variant if other political alternatives fail."<sup>18</sup> The congressmen thus had to choose between the "Contras" and the fear of U.S. involvement in a new and prolonged military conflict.

The struggle between various trends predetermined the very complex array of forces in Congress. It would hardly have been possible to reach a compromise in such a situation in a short period of time. The "humanitarian" aid bill proposed by Reagan passed in the senate by a vote of 53 (43 Republicans and 10 Democrats) to 46 (37 Democrats and 9 Republicans). The House of Representatives, on the other hand, voted down the bill (248:180). With a vote of 219 against 206, it supported the proposal by M. Baris to make \$10 million available to Nicaraguan refugees through the Red Cross and \$4 million to the "Contadora group" for financing the peaceful regulation of the Central American conflict.<sup>19</sup>

The vote in the House of Representatives marked Reagan's first defeat in Congress since his reelection. The administration's stern reaction was not long in coming. In May 1985, the USA established an economic blockade of Nicaragua. The embargo was an integral part of the U.S. military political strategy for removing the Sandinistas from power. Its principal aim was to make the country's economic problems worse, thereby causing dissatisfaction among the Nicaraguan masses and creating a pressure lever for augmenting the actions of the "Contras."

The embargo was not enthusiastically received by the U.S. Congress. Negatively evaluating the administration's actions, Baris, a member of the House of Representatives, sarcastically noted: "The president has done a wonderful job of justifying D. Ortega's economic mission to Moscow and Eastern Europe by showing that the USA truly intends to smother Nicaragua economically."<sup>20</sup>

Literally one month later, many congressmen substantially modified their stand. On 12 June, the House of Representatives, following the Senate's lead, voted 248 (175 Republicans and 73 Democrats) to 183 to allocate \$27 million in "strictly nonmilitary aid" to the "Contras" through a government agency other than the CIA and the Department of Defense between June 1985 and April 1986.<sup>22</sup>

What happened? Why did the House of Representatives in a very short time go from refusing any aid whatsoever to the counterrevolutionaries to agreeing to grant them "nonmilitary" aid? The most common explanation in the Western press was as follows: the decision of the House of Representatives was due to the negative reaction of congressmen to D. Ortega's visit to the Soviet Union. However, it is impossible to agree with such an interpretation. D. Ortega had repeatedly visited the USSR and other socialist countries before May 1985. What is more, it is quite well known that during the Nicaraguan leader's last visit, the talks were devoted to purely economic issues.

In reality, the change in the stand taken by the House of Representatives was primarily due to the changes that had matured in the Democrats' camp since the defeat of W. Mondale in the presidential elections. The Democratic Party tenaciously looked for an alternative to the Republican administration's policy that would win the voters over to its side. It naturally formulated its platform primarily on the basis of public sentiments. By June 1985, official Washington policy of generating the "new patriotism" had produced certain results: there was clearly a higher degree of dedication of the U.S. masses to policy based on strength and an increase in anticommunist feeling.

This is eloquently attested to by the enormous success of Rambo II--a film describing the imaginary exploits of a veteran of the Vietnam war in the name of salvation of American prisoners of war, who are still supposedly in Vietnam, from the clutches of "communist despots." Soviet journalist V. Simonov offers the following description of the reaction of Americans to the wild imagination of the authors of the script: "At Movieland, a New York movie theater, I spent more time looking about me than at the screen. It was unimaginable! Every time Rambo sent a "red adversary" to meet his ancestors, the viewers jumped to their feet, flashed the "V for victory" sign with their fingers, and roared: USA, USA, USA! We have already seen this insanity and the raised hands...."<sup>23</sup>

On the whole, THE ECONOMIST accurately described the ambiguity of social feeling in the USA: "the American public definitely does not want another Cuba, but it is even more anxious to avoid another Vietnam...."<sup>24</sup>

The reaction of the House of Representatives becomes understandable in the light of the ambiguous feelings of Americans. Many Democrats preparing for the 1986 congressional elections did not want to appear soft in the voters' eyes, nor did they want to see a repetition of Vietnam.

The voting on financing of the "Contras" was evidence that the Democratic party had evolved in the direction of a harder line on foreign policy and national security. Congressman B. Richardson summarized the new approach in the following words: "Our entire liberal reaction in the area of foreign policy is somewhat obsolete. We must not react automatically, as we have done, and say "no" to everything that concerns national security."<sup>25</sup> Even though Democratic leaders in congress such as T. O'Neill, speaker in the House of Representatives; J. Wright, leader of the Democratic majority, and others, have continued to take a liberal stand on Nicaragua, the "new school of thought" has found advocates among roughly one-third of the party's members in Congress.

This has proven to be all that was needed to create a stable majority to support many of the Republican administration's foreign policy proposals. This majority has even grown at times, when the "new centrists" have been joined by certain other Democrats for political considerations. In regard to Nicaragua, this has in particular been expressed in the fact that the House of Representatives has given the president the right to send troops to that country if the lives and property of American citizens are in danger, if it imports Soviet fighter planes, or in response to the seizure of hostages and other types of terrorism. At the same time, this right is limited: the government may not send troops to Nicaragua on the ground that the Sandinistas are maintaining partisans in neighboring countries.<sup>26</sup>

These and other data show that the shift to the right in Congress is not absolute. Nevertheless, there has been an increase in conservatism, if partly only temporary, and additional impetus has been given in particular to the government's policy on Central America.

The administration still did not win the right to intervene in Nicaragua because the problem continued to be not so much how to launch the invasion as how to carry it off successfully in a short period of time. Work on plans for the intervention continued, but talk of it diminished: preparations for the Geneva talks were under way. Everything else remained the same.

Nicaraguan counterrevolutionaries have received from the USA: moral support, official "humanitarian" aid and unofficial military aid that the administration sent by private channels (approximately \$25 million in 1985)<sup>27</sup>. Becoming confident of U.S. support, the "Contras" immediately launched an offensive inside Nicaragua. The administration's task was now to increase the size of the counterrevolutionary army to 35,000 men in the next few months. At the same time, the administration continued to sabotage efforts to bring about a peaceful settlement of the conflict in Central America. As a result of this, the prospects for a political solution in the subregion have worsened still more.

There are numerous facts showing that the policy of the Republican administration on Nicaragua remained unchanged even in fall of 1985, i.e., on the eve of the Soviet-American summit meeting. But let us concentrate on one. Speaking at the UN on 24 October, Reagan included Nicaragua among those countries in which revolution is declared to be the product of "Soviet expansion" and declared that he intended to discuss the situation in that country together with a number of other regional problems with M. S. Gorbachev, general secretary, CPSU Central Committee. Essentially, the attempt was made not only to shift the problem of the revolutionary movement in different parts of the world, including Central America, to the plane of the East-West confrontation, but also to supplant it, or at least to complicate the discussion of the principal international problem--the prevention of the militarization of space and the reduction of nuclear arms--by the problem of regional conflicts.

As is known, the Geneva summit created prerequisites for a turn to the better in international relations. The improvement in these relations could play a positive part in the peaceful regulation of local conflicts.

Nevertheless, the American administration continues to prefer to take a hardline approach to the liberation movement in Central America and elsewhere in the world. Its position on this question continues to be the direct opposite of the position taken by the forces of progress and democracy. An example of this is the debate in U.S. ruling circles on the aggressive doctrine of so-called "low-intensity conflicts." This doctrine, if elevated to the rank of official U.S. policy, can lead to a new round of intervention in the developing world. It threatens the peoples of the liberated countries, including Nicaragua, who are fighting the forces of local reaction and American imperialism.

#### FOOTNOTES

1. "Text of 1984 Republican Party Platform," CONGRESSIONAL QUARTERLY WEEKLY REPORT, Washington, 1984, Vol 42, No 34, p 2112.

2. Ibid.
3. NEWSWEEK, New York, 1985, Vol CV, No 15, p 24.
4. TIME, New York, 1985, Vol 125, No 1, p 6.
5. See: SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1984, No 4, p 46; 1985, No 10, pp 26-36.
6. NEWSWEEK, 1985, Vol CV, No 15, p 26.
7. US NEWS AND WORLD REPORT, Washington, 1984, Vol 97, No 26, pp 20-22; TIME, 1985, Vol 125, No 15, p 97.
8. THE ECONOMIST, London, 1984, Vol 293, No 7368, pp 49-50.
9. VILLAGE VOICE, New York, 25 June 1985.
10. THE DEPARTMENT OF STATE BULLETIN, Washington, 1985, Vol 85, No 2097.
11. GRANMA, Havana, 30 January 1985.
12. THE DEPARTMENT OF STATE BULLETIN, 1985, Vol 85, No 2097, p 10; NEWSWEEK, 1985, Vol CV, No 10, p 14.
13. NEWSWEEK, 1985, Vol CV, No 10, p 15.
14. THE WASHINGTON POST, 2 March 1985.
15. GRANMA, 5 April 1985.
16. NEWSWEEK, 1985, Vol CV, No 15, p 16.
17. NEWSWEEK, 1985, Vol CV, No 17, p 35.
18. THE ECONOMIST, 1985, Vol 295, No 7390, p 32.
19. GRANMA, 25 April 1985.
20. TIME, 1985, Vol 125, No 19, p 29.
21. The senate's decision provides that the funds be distributed by the CIA under the supervision of the National Security Council.
22. THE ECONOMIST, 1985, Vol 295, No 7398, p 38.
23. V. Simonov, "An Essay on the 'New American Patriotism,'" LITERATURNAYA GAZETA, 1985, No 42, p 14.
24. THE ECONOMIST, 1985, Vol 295, No 7398, p 38.

25. NEWSWEEK, 1985, Vol CV, No 25, p 29.
26. THE ECONOMIST, 1985, Vol 296, No 7401, p 46.
27. NEWSWEEK, 1985, Vol CVI, No 7, p 17.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

5013  
CSO: 1807/298

## LATIN AMERICA AND CARIBBEAN

### MEXICO'S FINANCIAL CRISIS, FOREIGN DEBT PROBLEM EXAMINED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 44-51

[Article by A. N. Borovkov: "Mexico: in the Search for a Solution to the Crisis"]

[Text] Upon taking office in the face of a financial and economic crisis of unprecedented depth, the government of Miguel de la Madrid encountered numerous difficult problems. In 1982, the domestic gross product declined by 0.5 percent for the first time in recent decades. Inflation reached 100 percent. Unemployment doubled. The state budget deficit rose to 18 percent of the domestic gross product. The Mexican peso was devalued by more than 80 percent during 1982. The foreign debt was \$83 billion and was continuing to grow. Production declined and there was a sharp reduction in export revenues.<sup>1</sup> Acknowledging the critical situation in which the country found itself, the new leadership emphasized its dedication to the politics of "economic realism." At the same time, based on the existing situation, M. de la Madrid advanced two major initiatives--"moral renewal" and the decentralization of the country's socioeconomic life.

The "moral renewal" slogan reflected the mood of the masses who were indignant over the scale of corruption in government. This presidential initiative was implemented in practice. Many prominent officials of the previous administration, including H. Diaz Serrano, former president of PEMEX (the Mexican state oil company) and Mexican police chief A. Duraso, were indicted and tried for abusing their official position, for trying to amass a fortune, for squandering government funds, etc. An earnest purge was made of the middle and lower echelons of the civil service and police and top state employees received a cut in pay.

The idea of decentralization sets the goal of deconcentrating industrial enterprises, certain administrative institutions and educational institutions in the capital, which should reduce pollution and above all create a better geographical balance in the nation's economic structure. At the same time, the government concentrated its efforts on four main targets of the National Plan for Development in 1983-88: the preservation and strengthening of

democratic institutions; the resolution of the crisis; the restoration of economic growth rates; and qualitative reforms of economic, political and social structures.

These targets in turn include a complex of short- and long-term measures. The former include strengthening the exchange rate of the national currency, lowering the rate of inflation, and reducing the foreign debt and inflation. The latter include structural changes in the interest of stable socioeconomic development for an extended period.<sup>2</sup> They are understood to mean the "improvement" of capitalist relations and a higher degree of the country's involvement in the world capitalist economy.

The plan calls for the reorientation of the production model toward the intensification of exports of industrial commodities in view of the dubious prospects for the growth of currency receipts from oil exports and the narrowing of the state sector as a result of enterprises operating at a loss. In order to make the products produced by the state sector more competitive, the government has begun abandoning the traditional practice of paternalism. It has been decided to grant subsidies, credits and other benefits selectively depending on the degree of economic effectiveness of a given enterprise.

Tasks pertaining to combating crisis phenomena are articulated in the two-year "Program of Immediate Economic Reforms." The program basically entails cutting state spending on social needs and on a number of previously planned construction projects, freezing workers' pay, lowering taxes on private enterprises, reducing imports, introducing a "floating" exchange vis-a-vis the dollar, the liberalization of foreign trade, and expanding the influx of foreign capital investment.<sup>3</sup>

At the cost of substantial cutbacks in spending on social programs, the program was instrumental in improving the desperate economic situation to some degree: the internal gross product increased by 3.5 percent in 1984, agricultural and industrial output rose as did production in the extractive industry, including petroleum products. The volume of construction and electric power production also expanded. Exports increased by 31.9 percent; imports of industrial production increased by 17.9 percent.<sup>4</sup> The nationalization of the banks by the previous administration made it possible to stem the flow of foreign currency abroad and to increase currency reserves. The budget deficit dropped to 8.7 percent in 1983. The improvement in the balance of payments enabled Mexico to resume payments on its foreign debt, which in turn raised the confidence of private foreign banks in the country and prompted them to agree to reschedule debt repayment and to offer new credit under relatively favorable terms.

These changes in the economy gave the government grounds for a certain measure of optimism. In his second message to congress (September 1984), M. de la Madrid declared: "The worst aspects of the crisis are behind us. We are now proceeding to make qualitative changes in our development strategy for the radical solution of the problems confronting us."<sup>5</sup>

Nevertheless, the difference between the encouraging indicators for 1984 and the high point of the crisis of 1982-83 was quite modest. The target for reducing the growth rate of inflation--one of the factors threatening the stability of the economic recovery program--was not met. Thus, instead of the 60 percent increase projected for 1983 and the 40 percent increase envisaged for 1984, inflation rose by 80 and 60 percent, respectively in these years.<sup>6</sup> Despite the fact that the government created 240,000 additional guaranteed jobs, unemployment at the end of 1984 was 13.4 percent compared with 8 percent in 1982.<sup>7</sup>

These and other indicators showed that stabilization measures adopted by the Mexican government at the insistence of the IMF had only produced a short-term effect and had not made the economy any less vulnerable to market conditions in the world capitalist economy. By mid-1985, Mexico's foreign debt had grown to \$94.4 billion.<sup>8</sup> Percentage payments reached more than \$11 billion a year. In addition to this, as a result of the drop in world oil prices, a number of West European countries discontinued importing the relatively more expensive Mexican oil. In order not to lose customers and to retain its market, the government lowered prices on exported oil to below the world level, which meant \$ loss of roughly \$1 billion a year. By the end of the first quarter of 1985, Mexican oil exports had declined by 10 percent compared with 1984, while industrial imports had risen by 38.4 percent.<sup>9</sup> In the brief period between January and June 1985, its active balance of payments dropped from \$3.4 billion to \$20 million.<sup>10</sup> The continuing devaluation of the Mexican peso prompted another increase in the scale of currency speculation and in the outflow of foreign currency; between January and March 1985, \$2 billion were exported from the country.<sup>11</sup>

During a trip to Western Europe in June 1985, the Mexican president visited Spain, England, Belgium, the Federal Republic of Germany, and France. Foreign policy matters and especially the situation in Central America occupied an important place in talks with the leaders of these countries. Nevertheless, the main purpose of the trip was to encourage Western Europe to cooperate more actively with Mexico in trade, economics, and finance. In the course of the visits, 45 agreements were signed on joint capital investments in various projects in industry, foreign trade and tourism for a combined total of about \$600 million.<sup>12</sup> Soon thereafter, the government announced the latest, their reduction in prices on exported oil in the current year and the devaluation of the Mexican peso by 20 percent.

Addressing a meeting of representatives of national banks in Guadalajara on 22 July 1985, M. de la Madrid announced the practical implementation of "radical structural reforms" envisaged in the National Plan for Development. Among his basic goals, the president placed particular emphasis on the reduction of current expenditures, on replacing licenses for imports of goods and services with a system of tariffs, on improving the tax system in the interest of increasing state revenues, and on increasing the state's functions as a financial mediator.

The government believes that the steps that are being taken will make it possible to obtain new credits, to import modern technology, and to gradually

draw closer to the leading capitalist countries' level of industrial development.

At the same time, the foreign debt problem stands out among the complex economic problems confronting Mexican society. Among the debtors in the developing countries, Mexico is in second place after Brazil: in 1985, Mexico's foreign debt totaled \$97.7 billion.<sup>13</sup> While the crisis started in the second half of 1981, its symptoms made themselves known with increasing frequency in preceding years. Declining oil revenues, the sharp rise in interest rates in the international loan market, and other factors of an external and internal character led the country to the brink of financial ruin. In August 1982, Mexico announced a three-month moratorium on its foreign debt payments. At the same time, it commenced intensive negotiations with creditors that lasted until September 1984. As a result of the negotiations, it was possible to postpone the repayment of \$48.7 billion of the debt. Mexico also obtained additional credits in the amount of \$5 billion (March 1983) and \$3.8 billion (April 1984).<sup>14</sup> Under the new terms, the repayment of the sum indicated above was extended from 6 to 14 years and Mexico was exempted from commission fees.<sup>15</sup> Annual interest payments on state and private debts before the end of the decade were established at the level \$10 billion; amortization--\$4 billion on the average; 1985 was a year of preferential terms (see Table 1).

Table 1. Servicing of Mexico's Foreign Debt in 1985-88; Billions of Dollars<sup>16</sup>  
(1986-88--projected)

Year	Internal gross product	Foreign debt	Interest and amortization payments	Ratio of foreign debt to internal gross product
1985	184.7	97.7	10	53.0
1986	193.0	102.7	14	53.2
1987	207.5	106.7	14	51.4
1988	223.0	110.0	14	49.2

While the refinancing of part of the foreign debt temporarily made the problem less acute, the country's dependence on the IMF and its major creditors intensified. Suffice it to recall that 4 months after the signing of the agreement, the Mexican government, yielding to pressure from the IMF, sharply devalued the peso and cut state spending, which had a negative impact on production, on foreign trade, and, naturally, on the plight of the working people.

In 1983-88, the country will have to pay its creditors \$85.3 billion, i. e., a sum that is \$2 billion greater than the entire foreign debt inherited by the government from the previous administration. Nevertheless, estimates show that indebtedness by the end of the president's term in office will not only not be smaller, but to the contrary will increase by \$26.5 billion compared with 1982.

Debt payments have become a heavy burden on the Mexican economy and a serious obstacle to the nation's development. More and more of the nation's wealth is

spent not to increase productive capital investments but in vain attempts to satisfy the demands of imperialist creditors. While in 1970, 2.8 percent of the domestic gross product was used to service the foreign debt and 22.7 percent went to gross investments, in 1984 the respective figures were 9.3 and 16.8 percent. This trend will evidently continue.

Table 2. Dynamics of Mexican Foreign Trade in 1982-88; Billions of Dollars<sup>17</sup>  
(1986-88--projected)

---

Indicator	1982	1983	1984	1985	1986	1987	1988
Exports	21.2	22.3	24.0	23.0	25.1	26.5	28.2
Imports	14.4	8.5	11.2	15.6	16.3	18.0	19.8
Balance	6.8	13.8	12.8	7.4	8.8	8.5	8.4
Interest payments	12.2	10.19	11.85	10.0	10.0	10.0	10.0

---

The question of currency sources acquires particular importance in this regard. As is known, export revenues are the most important of these sources. Table 2 reveals that a certain increase in them is expected in the next 3 years. However, the debt interest alone swallows up about 40 percent of the export revenues. What is more, an annual increase in imports by approximately \$2 billion is planned for even the most minimal economic growth. Whatever the case, the positive foreign trade balance in the period between 1986 and 1988 will be lower than between 1982 and 1984 and, as in 1985, will not be sufficient to pay interest costs. It should also be remembered that the data cited in the table do not take into account the proposed further decline of oil prices. There are also other adverse factors such as the consequences of Mexico's entry in GATT, the possibility of another rise in interest rates, the continuing flight of capital out of the country, etc.

The fulfillment of foreign debt obligations and the growth of the Mexican economy in general continue to be connected to obtaining new foreign loans. The result is a vicious circle: the more the country pays to foreign banks, the greater its need for funds which it must once again obtain in the form of foreign loans. In other words, the debt grows. But it would be a mistake to think that the Mexican government does not understand what is happening. Addressing representatives of the IMF and IBRD in April 1985, J. Herzog Flores Silva, secretary of finance and public credit, declared that the foreign debt problem has not been resolved and that there is no hope for its solution as long as debt servicing swallows up a considerable part of the resources, especially currency, when exports to the developed countries is limited, and when a heavy social and political price has to be paid for stabilization.<sup>18</sup>

In his third message to congress on 1 September 1985, the president of Mexico observed: "The urgency of the foreign debt problem has diminished but the question has not been entirely resolved. Interest payments are very high and are a threat in connection with the possibility of the lowering of currency

receipts from exports or tourism as well as higher interest rates...We shall continue to negotiate for better debt payoff terms and for refinancing within reasonable limits."<sup>19</sup>

The nation's leftist parties, trade unions, progressive social organizations, and academic circles, however, believe that it is necessary to take not only financial, but also political measures, the effectiveness of which depends to a considerable degree on the strengthening of the unity of Latin American countries. The debate on the foreign debt problem heated up with particular intensity following the catastrophic earthquake in September, which still further aggravated the situation notwithstanding the fact that the government managed to obtain from its creditors a postponement of a \$950 million payment that was due at the beginning of October 1985.

Since the demands of the Mexican public to discontinue interest payments or to resort to a moratorium are becoming more and more insistent, the president has announced a "national forum for the discussion and analysis of the foreign debt problem" to be held within the framework of the Chamber of Deputies of the National Congress. The first discussion took place in Tijuana, the second is planned for Oaxaca; the third for Toluca. The government cites the following conclusions to justify its stand on this issue: refusal to pay or a moratorium will cause the deterioration of relations with the leading capitalist countries and the economic isolation of Mexico, which will be reflected both in national exports and in the nation's international credit standing. As regards statements as to the impossibility of paying off the foreign debt, in an interview with the newspaper EXCELSIOR, the president declared: "The payment of the debt would be impossible if we had not secured additional financing of development or if we ceased obtaining new foreign loans...."<sup>20</sup>

The 3.5 years M. de la Madrid has been in office is a sufficiently long time to draw certain conclusions. In the face of the deep economic crisis, the new leadership evidently emphasized neoliberalism in the economy even though the model of dependent development has most obviously demonstrated its lack of viability. The practical implementation of this policy under the flag of "structural reforms" leads to the gradual elimination of obstacles to foreign capital, to the triumph of the principle of "free competition," which undermines the economic independence of the developing countries. Thousands of small and medium-size enterprises and, above all, the state sector--the bulwark of the Mexican economy--are being sacrificed to appease transnational corporations and the large national bourgeoisie connected with them.

The long-range economic strategy is based on a model of reproduction that calls for the intensive development of export, especially the products of the manufacturing industry, in order to reduce the dependence of the economy on fluctuations in world oil prices and to raise the country's effective demand. However, the foreign debt crisis made the attainment of these goals directly dependent on additional foreign financing.

In the past period, the government succeeded in alleviating the situation, but did not resolve the crisis. An official document entitled "General Criteria of Economic Policy for the Federal Budget Bill for 1986" declared that the

tasks scheduled for the first half of the present administration's term of office had not been fulfilled. The actual insolvency of plans for the next 3 years was also confirmed in practice. While the growth of the internal gross product was planned at the level of six percent for 1986, the budget approved by congress was compiled on the basis of a one percent maximum possible increase, i. e., on the average 2.5-3.5 percent less than in the two preceding years. The estimated rate of inflation according to the National Development Plan was less than 5- 10 percent, while the budget for 1986 envisaged a rate of 45-50 percent.<sup>21</sup> While the foreign trade balance is positive, in the next 3 years it will be lower than in 1983 and 1984--on the average, at the level of \$8.5 billion, at the same time that the country must pay \$10 billion in interest alone every year. The removal of restrictions on imports and the discontinuation of export subsidies will inevitably reduce the positive balance further.

The government continues to face complex problems, the solution of which will in large measure determine the nation's development in years to come.

#### FOOTNOTES

1. ESTRATEGIA, Mexico City, 1984, No 56; Plan Nacional de Desarrollo 1983-1988. Suplemento de "Comercio exterior," Mexico, No 6, 1983, p 3; EL DIA, Mexico City, 25 Feb 85; REPORTE DE COYUNTURA, Mexico City, No 18-19, 1985, p 3; "Segundo Informe de Gobierno," COMERCIO EXTERIOR, No 9, 1984, p 810.
2. Plan Nacional de Desarrollo..., p 46.
3. In accordance with the terms of the agreement concluded with the IMF on postponing foreign debt payments soon after the government came to power, the government substantially reduced state investments and expenditures on construction, raised prices on gasoline, electric power, transport, and telephone; reduced subsidies for the vital necessities, that were becoming more expensive, including food; and carried out a number of other measures within the framework of the policy of "economic austerity."
4. ESTRATEGIA, No 62, 1985, p 2.
5. COMERCIO EXTERIOR, No 9, 1984, p 807.
6. ESTRATEGIA, No 62, 1986, p 7.
7. EL DIA, 28 Aug 85.
8. Ibid., 5 Jul 85.
9. PROCESO, Mexico City, No 453, 1985, p 18.
10. EL DIA, 25 Oct 85.
11. PROCESO, No 453, 1985, p 18.

12. For more detail, see: EL MERCADO DE VALORES, Mexico City, No 26, 1985.
13. PRAVDA, 31 Jan 86.
14. Secretaria de hacienda y credito publico. Estrategia de la reestructuracion de la deuda externa de Mexico, Mexico City, October 1985, p 13.
15. Ibid., p 14.
16. Calculated on the basis of: Estrategia de reestructuracion....; Presidencia de la Republica. Criterios generales de politica economica para la iniciativa de ley de ingresos y el proyecto de presupuesto de egresos de la federacion, correspondientes a 1986, Mexico City, November 1985.
17. Calculated on the basis of: Banco de Mexico. Indicadores economicos. IV. Indicadores del sector externo, September 1985; EL FINANCIERO, Mexico City, 12 Nov 85; Criterios generales de politica economica para la iniciativa...; Development Financing Strategy. Secretaria de hacienda y credito publico, Mexico City, 20 Jul 84.
18. Estrategia de la reestructuracion...., p 16.
19. Ibid.
20. EXCELSIOR, Mexico City, 3 Dec 85.
21. Criterios generales de politica economica para la iniciativa...

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

5013

CSO: 1807/298

## LATIN AMERICA AND CARIBBEAN

### ACTIVITIES OF 'CHE GUEVARA' INTERNATIONAL FRIENDSHIP CLUB

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 p 118

[Article by A. I. Leontyev: "Welcome to the International Friendship Club!"]

[Text] School No 82, where Spanish is studied starting in the second grade, is located in a five-story building on a quiet Moscow street not far from the Sokol subway station. But it is not merely a school subject: all the children are genuinely interested in Spanish and in the history and culture of Spanish-speaking peoples.

This is largely the result of the efforts of the school's International Friendship Club which was founded in 1973. Since then, it has grown into a large, authoritative organization. The club's honorary members include: A. I. Alekskeyev, the first Soviet ambassador to Cuba; Sebastian Alarcon, famous Chilean film director, and others.

The International Friendship Club bears the name of Ernesto Che Guevara, Cuban national hero, distinguished revolutionary, and freedom fighter. Therefore, everything pertaining to Cuba and the liberation movement of Latin American countries is particularly dear to the children. "We shall be like Che" are the last words of the oath that is recited before the president of the club presents membership cards to new members.

The International Friendship Club has several sections: information, regional studies, art, photography, correspondence, stage design. The recently established "Spanish theater" already has two numbers in its repertoire: fragments from the immortal "Fuenteovejuna" and the satirical play "Don Generoso de lo Ajeno."

The International Friendship Club resumes its activity on the first of September of every year. The information section conducts talks on the most important events in Latin America; the correspondence section drafts replies to numerous letters from Cuba, Venezuela, Mexico, Nicaragua... Their foreign friends tell them about many interesting things. It is thus possible to use these letters as didactic material in Spanish lessons. The designers conduct political poster contests, publish wall newspapers on various topics, and

prepare exhibits. A special exhibit was devoted to space and this was not by chance: one of the school's classrooms bears the name of Arnaldo Tamajo Mendez, the first Cuban cosmonaut.

International friendship evenings have become a unique mirror of the club's work. The International Friendship Club also has many other traditions: meetings with interesting people, friendship collection bags, solidarity fairs. A friendship collection bag filled with toys and school accessories collected by the children themselves was presented for the children of Sandino's country at a meeting that was held to open the USSR-Nicaragua Friendship Society in the House for Friendship With Peoples From Foreign Countries.

The school's doors are open to all who wish to become more closely acquainted with the work of the International Friendship Club. Its address: 3 Dubosekovskaya Street.

Welcome!

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

5013

CSO: 1807/298

## LATIN AMERICA AND CARIBBEAN

### BOOK ON SALVADOR REVOLUTION'S HISTORY, LEADER FARABUNDO MARTI

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 127-128

[Review by Yu. N. Korolev of book "Nepokorennyy vulkan" [The Indomitable Volcano] by A. A. Petrukhin and Ye. M. Churilov, Moscow, Izdatelstvo politicheskoy literatury, 1985, 256 pages]

[Text] The central figure in the book is Farabundo Marti, legendary Latin American revolutionary, an associate of Sandino, and founder of the Communist Party of El Salvador. The very name of the principal hero determines the timeliness of the chosen topic. The authors present a lively, absorbing account of a tireless struggler-communist who, as Jorge Jandal Shafik, general secretary of the El Salvador CP Central Committee, states in a brief message to the Soviet reader, "at the behest of the El Salvador CP Central Committee raised to armed struggle the working masses of El Salvador who attempted to 'storm the skies' on 22 January 1932" (p 3).

The authors not only recreate the difficult life of the people's leader--a totally honest man who gave his all to the struggle for social justice. The reader is presented with the image of a large-scale political leader who is capable of seeing the major goal clearly, analyzing the real situation in depth, reaching uncompromising decisions, and leading those of similar persuasion. F. Marti was a practical revolutionary with a firm grasp of Marxism-Leninism. Under the grim conditions of dictatorship, he fearlessly and tenaciously prepared the armed uprising. It was clear to him that the revolutionary spirit of the masses was ahead of the party's organizational preparedness, that the uprising could turn into a spontaneous riot which would inevitably be followed by defeat and incalculable losses. But it was his decision to be together with the people rather than to stand to one side and wait out a risky, unclear situation. Under F. Marti's leadership, insurgency cells were set up throughout the entire country, weapons were amassed, and worker-peasant detachments were formed. The authors did a good job of focusing attention on the work of F. Marti in the armed forces, as a result of which entire units were prepared to function on the side of the people.

In the very first pages, the reader is immerse in the atmosphere of the civil war of many years duration that is presently going on in El Salvador, where the revolutionary forces fight under the banner of Farabundo Marti. The authors do not merely confine their efforts to demonstrating the ties between

past and present. The historical continuity of days past and present is revealed in the profound analysis of the content and character of the people's uprising of the 30s and the revolutionary struggle of the 80s. The party of the working class studied the lessons of defeat and the subsequent struggle against bloody dictatorships. The country itself changed and capitalist relations were affirmed in society. Imperialism and reaction were compelled to maneuver under pressure from unceasing actions by the working class, the peasantry and all working people: history had shown that repressions alone were not enough to break the revolutionary antiimperialists. In league with the USA, the local bourgeoisie, while continuing its attempts at direct suppression of the people's struggle, was compelled to proclaim reforms in an effort to sow discord among the democratic forces. At the same time, the content of the proclaimed reformist programs reveals that their slogans were directly borrowed from the revolutionary movement. This is the limit, beyond which the dominant classes have nowhere to go.

The book does not present a simple, schematic picture of the reality of El Salvador today. The struggle is difficult and uncompromising: it includes not only victories, that are won at a high price, but also defeats and bitter lessons. The pages exude unforgettable pain in their account of the death of Anna Maria, a remarkable revolutionary, one of the leaders of the people's revolution who was a legend in her lifetime. With incredible effort, Anna Maria received an education, became a doctor of sciences, and chairman of the Teachers' Association. A professional revolutionary from her early years, she headed one of the largest guerrilla units at a time that was decisive for her country. In the battles against the army of the dictatorship, she revealed her talent not only as a scholar and public figure but also as a military leader. More than once, punitive forces trained at American bases fled the field of battle under the blows of detachments under her command. And then came her cruel death. This is a true life tragedy--one of many fates in the history of the revolution.

An indisputable merit of the book is that rigorous scientific analysis has not suffered from the popular tenor of presentation. It does not contain the frequent digressions and concessions "to the average reader" that unfortunately abound in this genre. The authors have confirmed the old truth that even the most complex things can be described in simple, comprehensible terms. The affirmation of the truth of life is another characteristic feature of the work that includes materials, documents and photographic illustrations, that shows the face of civil war and imperialist intervention without embellishment or exaggeration.

A good book inspires thought and one would like to suggest that the authors more fully show the ideological development of Farabundo Marti more completely, that they describe the difficult road to unity in the revolutionary movement in greater detail, and that they focus more attention on the driving forces behind the revolution. But no single work can be the

final word on a truly important topic and one must think that the authors will have another opportunity to tell their readers the things that remain untold: they already have their readership which awaits new books from them.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

5013

CSO: 1807/298

## LATIN AMERICA AND CARIBBEAN

### BOOK ON ECONOMIC FORMS OF AMERICAN 'NEOCOLONIALISM' REVIEWED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 128-129

[Review by Z. V. Ivanovskiy and B. M. Merin of book "Amerikanskiy neokolonializm na sovremennom etape (ekonomicheskiye aspekty)" [American Neocolonialism in the Present Stage (Economic Aspects)] by R. I. Zimenkov, Moscow, "Nauka", 1985, 248 pages]

[Text] The 80s are characterized by the further intensification of the struggle of the developing countries for change in the balance of power in the world capitalist economic system, for a new international economic order, for accelerated development, and for the consolidation of their sovereignty. The highly developed capitalist countries--the United States in particular--must reckon with the new realities and are forced to search for more flexible forms of external expansion in order to reach their objectives. Various aspects of U.S. neocolonial policy in Third World countries have been reflected in numerous basic researches by Soviet scholars. Nevertheless, the study of the latest trends in the economic policies of the "mother country" and the exposure of its attempts to restrain antiimperialist forces is still on the agenda. In this regard, the theme of R. I. Zimenkov's monograph, which presents a detailed analysis of the entire complex of contradictions between the USA and the developing countries in the 80s, seems especially timely.

The first section of the book examines economic relations between the USA and the developing countries. On the basis of a vast body of factual material, Zimenkov develops the convincing theory that after these countries acquire their political independence, their exploitation by imperialism continues and even intensifies, deforming the national economy in the process. The author emphasizes that "the inclusion of the developing countries in the modernized capitalist international division of labor is characterized by a profound contradiction between the need to overcome economic backwardness, the formation of the national reproductive process in young national states, and the preservation of the relations of dependence and exploitation which lead to the redistribution of the national income of the liberated countries on a growing scale in favor of U.S. monopoly capital and other developed capitalist countries (pp 20-21). This contradiction, as Zimenkov correctly shows, intensifies the tendency toward the restructuring of the entire existing

system of international relations and objectively leads to the radicalization of the foreign and domestic policy of even moderate regimes, to say nothing of countries with a socialist orientation.

The second part of the book examines in detail the basic forms and methods of U.S. economic expansion into the developing countries. In the author's opinion, regardless of changes in the foreign political situation, the export of private capital continues to be the principal instrument of U.S. international policy. Unlike the previous decade, primary attention is devoted to bilateral programs--"aid to development," "food for peace," "economic support fund," etc. Nor can one disagree that economic aid continues to be one of the levers for exerting political pressure. The administration of R. Reagan now openly supports reactionary regimes. There have been cuts in allocations to countries pursuing an independent course of development. Tighter commercial terms have been established for loans and credits (p 104).

In the third section of the book, Zimenkov analyzes the specifics of U.S. regional economic policy in Latin America, Asia, Africa, and the Near and Middle East. Chapter seven is of the greatest interest for readers interested in Latin American problems. The author shows that the export of capital in the form of direct investments is the basis for preserving and consolidating U.S. positions in Latin America. The author examines the activity of transnational corporations on the continent and notes that the traditional methods of exploitation are giving way to so-called productive cooperation between American and national capital and the formation of jointly owned companies. This creates the possibility of establishing covert control over national capital and of influencing the economic mechanism of regions in the nation.

Among the new phenomena noted by the author, we must not fail to mention change in the branch structure of direct U.S. capital investments which now have as their primary focus the most dynamic branches of industry--chemical, machine building, automotive, aircraft (p 139). The book correctly notes that under the conditions of the scientific and technological revolution, American monopoly capital is interested in a certain degree of modernization of the production apparatus of Latin American countries and in adapting it to the needs of the world capitalist economy. Side by side with the increased expansion of transnational corporations, the largest private U.S. banks have launched financial operations on an unprecedented scale. Between 1960 and 1983, there has also been a ninefold increase in U.S. trade with nations in the region (p 144). However, as the work notes, the expansion of trade is usually under conditions that are disadvantageous for the developing countries.

The fourth section of the monograph examines in detail the significance of international economic organizations in Washington's foreign economic expansion strategy as well as the place and role of the USA in UN economic organizations.

The study is based on the latest factual material. However, in its selection of sources, the monograph is somewhat onesided. It would have benefited if the author had made wider use of sources from the developing countries. In our view, the foreign debt problem should have been given more detailed, specialized treatment.

The book's merits make it useful not only for economists and political scientists but for the general reader as well.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

5013

CSO: 1807/298

LATIN AMERICA AND CARIBBEAN

NEW SPANISH-RUSSIAN, RUSSIAN-SPANISH ECONOMIC DICTIONARY

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 p 133

[Review by A. R. of dictionary by S. N. Kosobchuk and M. A. Fatovskaya: "Kratkiy russko-ispanskiy i ispansko-russkiy ekonomicheskiy slovar" [Short Russian-Spanish and Spanish-Russian Economic Dictionary]. Moscow, "Russkiy yazyk", 1985, 228 pp]

[Text] For the first time in our country a short Russian-Spanish and Spanish-Russian economic dictionary has been published. It includes the most widely used terms in Soviet and foreign economic literature on political economics, industrial economics, agriculture, construction and transportation, foreign and domestic trade, currency circulation and credit, state finances, the currency system, international economic relations, etc. The authors have taken into account the specifics of economic terminology used in the different Latin American countries.

The Russian-Spanish section contains almost 5000 terms and the Spanish-Russian, approximately 4500. The dictionary is supplied with a useful foreword in which the most widely disseminated names of international economic organizations are given. Despite its small size, the dictionary will undoubtedly become a valuable asset for a wide circle of specialists.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1986

CSO: 1807/298

LATIN AMERICA AND CARIBBEAN

BRIEFS

PERUVIAN MAYOR IN UZBEKISTAN--Daniel Federico Estrada Perez, mayor of the Peruvian city of Cuzco, became acquainted with life in Samarkand, Bukhara, Khiva and Tashkent. He viewed their architectural monuments and regions of new construction. The guest met with activists of the Uzbek Society for Friendship and Cultural Relations with Foreign Countries. He signed a document which stated that starting now, Samarkand and Cuzco would become brother-cities. [Text] [Taskent PRAVDA VOSTOKA in Russian 10 Jul 86 p 1]

CSO: 1807/344

REPORTS ON INCREASED SOVIET-CHINESE ECONOMIC TIES

USSR-Chinese Shipping Talks

PM091342 Moscow NEDELIA in Russian No 26, 23-29 Jun 86 (signed to press 25 Jun 86) p 4

/Sergey Dvigantsev report on statement by S.A. Kolyadko, deputy chairman of the "Sovfrakht" All-Union Association, under the rubric "Contacts and Contracts"; "In China's Sea Ports"--first paragraph is a NEDELIA introduction/

/Text/ A Soviet maritime delegation paid a business visit to the PRC. Delegation head Slava Aleksandrovich Kolyadko, deputy chairman of the "Sovfrakht" All-Union Association, spoke to NEDELIA about the visit's purpose and results.

Kolyadko: The last few years have seen a galvanization of trade between our countries and an expansion of maritime transportation. Vessels from the Black Sea Shipping Line deliver mineral fertilizers to Chinese ports and load corn and grains there. Vessels from the Far Eastern Shipping Line carry timber and metals.

Maritime transportation depends largely on the speed of ship handling in the ports. The term "handling" covers the piloting of ships inside the port's waters, loading and unloading operations, and delivery of foodstuffs and fresh water on board--all this is quite labor-intensive and exacting. These services are provided to foreign ships by the "Penavico" State Corporation, which is part of the PRC Ministry of Communications, acting as agent of the ship owners. It was mainly with this corporation's representatives that we had talks. "Penavico" is headed by Comrade Ling (Zuyu), vice minister of communications, who received our delegation. Let us note that all this work and the talks and meetings with the Chinese comrades proceeded in an exceptionally friendly atmosphere and favorable businesslike conditions. During our 2-week stay in China we managed to resolve numerous questions involving the expansion of cooperation. Our countries had previously agreed to open representative offices in Shanghai and Odessa. Shanghai is not only a major port but also a city with several million inhabitants with a rather acute housing problem; despite this, the Chinese side guaranteed that the premises to house the Soviet Maritime Representative Office will be ready on time. The talks were conducted in Beijing, the PRC capital; in addition, we visited five of China's seaports. We visited the northernmost port of Dairen, which ranks first in the handling of export

and import freight; Qinhuangdao, where the country's main coal and petroleum terminals are concentrated; and Nantung. We toured the container terminals at the port of Tianjin. We also visited Shanghai; the port's annual freight turnover is 100 million metric tons.

Specialists from our shipping lines who were included in the delegation noted that many operations in Chinese ports are mechanized and that there are promising developments in container transportation; it is planned to build about 120 new terminals and carry out a major reconstruction of the complex port economy. The organization of ports' work is interesting; some of them are operationally subordinate to the city authorities: For example, the chief of the port of Dairen is ex officio chairman of the City Executive Committee's Transport Committee and leads all transportation enterprises, including railway, road, and air transport.

We drove past rice paddies along the road to Nantung. All fields are meticulously looked after, with all the weeds that have been pulled out stacked along the boundary lines. The Chinese crop farmers are working conscientiously and welcomed us hospitably.

#### Export-Import Cooperation to Resume

OW301140 Moscow in Mandarin to China 0200 GMT 29 Jun 86

/Text/ The Soviet Union and China have resumed cooperation in shipping export and import commodities. An agreement signed during a recent visit to China by a delegation from the Soviet Ministry of Maritime Fleet has further promoted cooperation in this field.

(Luchavtsov), deputy director of the Black Sea Maritime Bureau, visited China as a member of the delegation. In an interview with our station reporter, he said: Soviet vessels transport cargoes to 15 Chinese ports. The Soviet merchant ships deliver timber, mineral fertilizers, and metals from the Soviet Far East and transport farm products and salt back from China. In view of the increasing freight volume, the Soviet delegation signed an agreement with the Ocean Shipping Agency in Beijing, which is in charge of providing services for foreign vessels. According to the agreement, a Soviet and Chinese shipping office will be set up respectively in Shanghai and Odessa, a major port in the Soviet Black Sea.

In conclusion, (Luchavtsov) said: It was indeed gratifying that meetings and contacts with Chinese comrades were conducted in an earnest and friendly atmosphere. All our questions were answered in detail, showing the Chinese side's desire for expanding shipping cooperation. After the meetings, we reached an accord with the Chinese side, which stipulates that logistic services for Soviet merchant vessels will be initiated in all Chinese ports beginning from the month of June, and that the Soviet merchant ships' nonproductive berthing time in Chinese ports will be greatly reduced. The accord will facilitate further increase in the two-way freight volume between our two countries.

Chinese Ecologist in Moscow

OW72202 Moscow in Mandarin to China 0700 GMT 7 Jul 86

/Text/ China's ecologist, Professor (Wang Minrong) said: The Soviet Union attaches great importance to ecological issues. He made this remark when he attended the international environmental protection meeting held in Moscow. The fresh air in the Soviet capital and the clean water in the Moscow River have deeply impress him. (Wang Minrong) said: The Soviet Union and China are able to exchange their experiences in ecological studies. He also praised the efforts made by the Soviet Union in the development of ecological engineering.

Cinematography Cooperation Established

LD071847 Moscow Domestic Service in Russian 1500 GMT 7 Jul 86

/Text/ The signing of the working plan of cooperation for the years 1986 and 1987 between the USSR State Committee for Cinematography and the PRC Ministry of Radio, Cinematography, and Television took place in Moscow today.

In an interview for our correspondent, Lidiya Sechenova, Ding Qiao, the head of the Chinese delegation, said:

/Begin Ding recording in vernacular with superimposed Russian translation/  
I think that the most important distinguishing feature of this plan of cooperation in the field of cinematography consists in the fact that it is realistic and easy to fulfill. Good beginnings have been laid for businesslike ties. These will help our peoples to get to know each other better. During this period we shall exchange retrospective showings of old films of Soviet and Chinese cinematography, between 20 and 30 films.

Film weeks will be staged. The Beijing Film Institute will receive as a gift 10 classic Soviet films as well as the curricula of the State Cinematography Institute. Cinematographers from China will take part in an international film festival to be held in Moscow next summer.

It should be said that our viewers like Soviet films. Films such as "Moscow Doest Not Believe in Tears", "The War Romance", "A Station for Two", "The Dawns are Quiet Here" have evoked a great deal of interest among them.

As for us, we are currently showing a film made by our young director U In Syan. In his work, he devotes much attention to the transformations currently taking place in China's life. The premiers of this film, "The Tramp and the Swan" will take place in the "Moskva" cinema-theater in the evening and we hope that the discerning Moscow public will find it to its liking.

/12228

CSO: 1807/333

TWO VIEWS OF JAPAN-USSR RELATIONS EXPRESSED

Alleged Japanese Attack Planned

PM100942 Moscow NEW TIMES in English No 26, 7 Jul 86 p 17

[L. Mlechin article: "The Kurils the Target"]

[Text] The command of the Self-Defense Forces and the American troops on the Japanese islands have other things on their minds than summer holidays. They have a tight schedule. At the end of July "comprehensive exercises in the strategic movement of troops" to Hokkaido are to begin. For August a joint exercise of the Self-Defense Forces and a U.S. naval task force headed by the battleship New Jersey is scheduled. According to the ASAHI, the battleship will carry Tomahawk cruise missiles with nuclear warheads. The exercise, the paper says, will be to a large extent a "demonstration of strength in the area of Vladivostok" and will assume a "provocative anti-Soviet character."

What is the purpose of the exercises? The armed forces of the two countries are working on plans for a joint invasion of the Kuril Islands, Sakhalin and the Soviet Maritime Territory, writes AKAHATA, citing government and military sources in Tokyo. The proposed landing in the Kurils is included in the program for a Japanese-American operation "to ensure control" over the northwestern Pacific. A strike at the Soviet Far East proper, General Paul Kelley of the U.S. Marine Corps has admitted, is projected in the event of hostilities breaking out in any part of the world. Who would deliver that strike? In the opinion of the Tokyo Strategic Research Center, either the American and Japanese armies together or the latter independently. Japan, it is reminded from Washington, will have to enter the war simultaneously with the U.S. even if the Japanese islands were not attacked.

In the recent period the area of the U.S. bases on Hokkaido--in close proximity to the Soviet Union--has increased threefold, and Tokyo is moving one army formation after another northward, as if rehearsing a thrust. It looks as if the Year of the Tiger has had too strong an effect on some Tokyo strategists.

## Improved Ties Seen

OW050559 Moscow in Japanese to Japan 1000 GMT 3 Jul 86

[Yuriy Afonin Commentary: "From Dialogue to Cooperation"]

[Excerpts] The resumption of political dialogue between the Soviet Union and Japan was regarded as one of the urgent tasks in their bilateral relations up to last year. However, this dialogue is now becoming a reality. This has been verified by mutual visits exchanged by the foreign ministers of the two countries in the first half of this year.

The practice in Soviet-Japanese relations includes an exchange of letters between the two countries' leaders. When new Soviet Ambassador to Japan Solovyev met with Foreign Minister Abe on 1 July, the ambassador delivered CPSU Central Committee General Secretary Gorbachev's letter to Prime Minister Nakasone. It was a reply to Prime Minister Nakasone's letter delivered to General Secretary Gorbachev in late May by Foreign Minister Abe during his official visit to the Soviet Union.

The exchange of letters between the top leaders is gratifying. It reflects the fact that the atmosphere in Soviet-Japanese relations is improving remarkably and helps further strengthen this tendency. This is of important significance because mutual visits by the top leaders are now appearing on the day's agenda. The CPSU general secretary and the Japanese prime minister have been invited to visit Japan and the Soviet Union, respectively. Although no decision has yet been made on the specific dates of their visits, it is no exaggeration that the development of the situation is now moving in the direction of their realization.

In this connection, General Secretary Gorbachev said in his letter that it may be possible for him to visit Japan in the near future, adding that the Soviet Union would welcome the Japanese prime minister's visit.

In his letter to Prime Minister Nakasone, General Secretary Gorbachev positively evaluated the two rounds of Soviet-Japanese foreign ministers' talks held this year.

Judging from statements made by leaders of the Japanese government, the Japanese side also seems to be coming up with similar evaluations. This is no coincidence. Through their mutual visits, the foreign ministers of the two countries were given the opportunities to have frank and sincere dialogues on matters of concern to all countries of the world as well as of mutual concern. As a result, concrete results were produced.

Last January, a new 5-year trade agreement and a dual taxation prevention treaty were signed in Tokyo; and in May, an agreement on cultural exchanges was signed in Moscow. On 2 July, verbal notes [kojogaki] on an agreement reached between the two governments concerning conditions for visits to Japanese graves in the Soviet Union and Russian graves in Japan were exchanged

at the Soviet Foreign Ministry in Moscow and the Japanese Foreign Ministry in Tokyo. This can be regarded as a fruit of the mutual visits.

These actions open up new possibilities for expanding and deepening the relations between the two countries. Should this tradition develop further in the days ahead, Soviet-Japanese relations would become richer in content in broader areas. In turn, this is certain to further deepen mutual understanding and confidence between the people of the two countries.

Naturally, the resumption and development of political dialogue between the two countries do not mean that the differences in their positions on important issues in current world developments have already been eliminated or reduced. These differences have their roots in the distant past or are deeply associated with the socioeconomic systems and military-political structure of the present world.

Nevertheless, the significance of Soviet-Japanese dialogue lies in the fact that it provides the possibility for expanding the areas in which the two countries can bring their views on pressing international issues closer. To redouble the areas in which the two countries find their views closer from a realistic position helps lay the foundation for the progressive development of bilateral relations.

The prevention of nuclear war and the strengthening of international peace are realistic, concrete areas that call for cooperation between the Soviet Union and Japan. There is nothing to lose from such cooperation, and the people of the two countries and all mankind will profit from it. This cooperation will further enrich the dialogue between the Soviet Union and Japan and benefit the development of bilateral relations.

The Soviet side has many times expressed its readiness to take joint action with Japan for the peaceful future of the world. General Secretary Gorbachev's latest letter to Prime Minister Nakasone gives substance to this.

/12858

CSO: 1812/146

BRIEFS

CHINESE-PORTUGUESE TALKS ON MACAO--Beijing July 1 TASS--A communique was released here today on the first round of the talks between the government delegations of the People's Republic of China and Portugal on resolving the issue of Aomen (Macao). The sides agreed on the agenda of the talks and decided that their second round would be held in Beijing in September, 1986. Aomen is the Chinese territory in the mouth of the Zhujang River covering a total of 16 square kilometers which was leased by Portuguese traders in 1555 and later, in 1850, was proclaimed by Portugal its colony. More than 400,000 people currently live in Aomen, the majority of them being Chinese. It is recalled here that following lengthy talks a joint declaration of the governments of the Chinese People's Republic and Britain was signed in 1984 on Hsiang Kang (Hong Kong) under which this territory in the south of China administered by the British governor is to pass over under the sovereignty of the People's Republic of China on July 1, 1997. [Text] [Moscow TASS in English 1735 GMT 1 Jul 86] /8309

CSO: 1812/141

SOVIET ECONOMIC, TECHNICAL AID TO ETHIOPIA

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, 1986  
pp 87-92

[Article by Anatoliy Kavardin, CEMA Secretariat, under the "Economic Ties of  
CEMA Member Countries with Other Countries" rubric: "Aiding the Development of  
Socialist Ethiopia"]

[Text] Socialist Ethiopia, situated in North East Africa, is one of the largest states on the African continent. Its territory occupies an area of 1,221,900 square kilometers, two-thirds of which is comprised of the Abyssinian uplands. It has a population of 32,800,000.

Ethiopia is an agrarian country. Its principal commercial product is coffee. Ninety percent of the population is engaged in agriculture. Natural resources have not been thoroughly studied. There are enterprises of the textile, food, and a number of other processing industry sectors. The population's living standard is low.

The relations of the fraternal countries with Socialist Ethiopia clearly demonstrate the advantages of consistently pursuing such democratic principles of international economic relationships as mutual benefit, repudiation of discrimination and other artificial restrictions, and planned, over-all development.

The collaboration of the CEMA member countries with socialist Ethiopia began in 1959. Even during its first stage, the states of the socialist commonwealth participated in the construction of a number of projects which have important nationwide significance for Ethiopia.

In 1967, a plant for the processing of 625,000 tons of crude petroleum annually was built in the city of Assab. Later, by virtue of equipment modernization, its productive capacity was increased to 800,000 tons. At the present time, the enterprise is being retooled in order to raise the processing of petroleum to one million tons annually. The plant produces 12 types of petroleum products,

including gasoline, kerosine, diesel and jet fuel, mazut, liquefied gas, and others. For many years, the plant has satisfied the country's needs for petroleum products. A thermal electric power plant with a capacity of 13,500 kwh and a residential village for workers and employees have been built at the project.

In 1967, as a gift, the USSR presented Ethiopia with a polytechnic institute for 1,000 students, which the Soviet Union built and equipped. Following their own study programs, Soviet teachers are training highly qualified local specialists, as well as a teaching staff for the institute.

At the end of the 1960s and the beginning of the 1970s, the CEMA member countries supplied a considerable quantity of foodstuffs, medicines, and various kinds of machinery and equipment. Supported by state credits extended to Ethiopia on favorable terms, a plant producing automobile tires and a shoe factory have been built in Addis Ababa with the assistance of Czechoslovakia; Poland has helped to build a plant for production of metal tools and agricultural equipment in Addis Ababa; Hungary has helped build a flour mill with a daily capacity of 30 tons of flour. These projects have made a fundamental contribution to the production of industrial output in the country. Thus, in the beginning of the 1970s, the relative share of manufactured products produced at processing industry enterprises came to about 30 percent.

Ethiopia's new leadership, which came to power as a result of the 1974 revolution, charted a course of deep social and economic transformations. Industry was nationalized and agrarian reform was instituted in the country.

A new stage in the development of economic and technical collaboration of the CEMA member countries with socialist Ethiopia began in 1978.

In March 1978, Ethiopia was visited by a delegation from the CEMA Secretariat, which familiarized itself with the status of various sectors of the economy and with plans for their development. On the basis of the delegation's recommendations, the CEMA member countries gave consideration to questions of economic and technical collaboration with socialist Ethiopia and approved a decision to provide urgent help in transporting goods to the country's interior regions from the port of Assab, where large amounts of grain, foodstuffs, agricultural machinery and other goods had accumulated in connection with a break in rail communication. The countries of the commonwealth sent Ethiopia hundreds of trucks, along with mechanics, fueling personnel and teams of drivers, who quickly moved the thousands of tons of freight necessary to meet the requirements of the country's industry, agriculture and population. In October 1978, the country announced the beginning of a long-term National Revolutionary Campaign of Economic Development (NRKR). A Higher Central Planning Council was established to prepare short and long-term economic development plans.

In January 1979 the first annual plan for development of the country's economy was approved. Its purpose was to raise industrial production and to develop agriculture through implementation of agrarian reform regulations and a program of

peasant cooperation and by eliminating illiteracy.

As a result of fulfilling this plan, the country's industrial production grew by 35.5 percent in comparison with 1978 and agricultural production increased by 2.4 percent. 82,000 hectares of virgin land were developed and sown and more than 85,000 tons of coffee -- Ethiopia's most important export crop -- were grown and sold abroad.

The tasks of the second and subsequent stages of the NRKR included accelerating economic development and creating the basic elements of the material and technical base by increasing production of consumer goods, strengthening the relationships of industry and agriculture, increasing the role of the state sector in the economy, developing cooperation in agriculture and in small-scale and handicraft industries, improving the system for the sale and purchase of agricultural products, and also the system for centralized planning of the economy.

By 1982, positive shifts were noted in the development of Ethiopia's economy. The position of the state sector had been consolidated, primarily in industry where enterprises having 10 or more workers belong fully or partially to it. In 1982, more than 64 percent of all industrial output was produced at 158 state and mixed enterprises. In the countryside, about 20,000 peasant associations, uniting more than five million peasants, were established, along with about 4,300 consumer cooperatives having more than 4,600,000 members.

One of the principal strategic directions of the 10-year development plan, approved in 1984, consisted of strengthening the relationship of industry and agriculture, with a leading role assigned to cooperatives. In agriculture, much attention is being given to increasing animal production (meat and hides) and to the area of social development -- to utilizing of labor resource and to expanding the public health network. A national campaign to eliminate illiteracy is continuing in the country.

In carrying out these revolutionary transformations, the government of socialist Ethiopia constantly relies on the experience and support of the CEMA member countries, which have given and continue to give unselfish assistance at all stages of struggle and of building a new Ethiopia.

A characteristic of the economic and technical collaboration of the CEMA member countries with socialist Ethiopia is the complex approach being taken to solution of the most important problems of Ethiopia's social and economic development. The CEMA member countries are helping Ethiopia in creating a fuel and power and a raw material base by surveying and developing natural resources.

Soviet specialists are carrying out geological survey operations for solid mineral resources in the region of Adolla and for oil and gas in Ogaden and are

building an oil storage facility with a capacity of 65,000 cubic meters.

The fraternal countries are providing various kinds of assistance in the development of agriculture: in raising cotton, grains, grapes, tobacco and coffee. A great deal of work is being done in irrigating arid lands, roads are being laid to outlying agricultural regions and agricultural complexes are being created. The CEMA member countries are helping to equip Ethiopia's agriculture with tractors, combines, and other modern agricultural equipment.

Thus, with USSR assistance, a tractor assembly plant has been built in the city of Nazret where, since 1984, 1,000 MTZ-80/82 tractors have been assembled annually from assemblies and parts provided by the USSR. Planning and survey operations for manifold development of the lands in the Baro and Akobo river valleys are being carried out free of charge. Six central workshops are being constructed to repair tractors and agricultural machinery (each of which will handle 500 repairs a year). Plans are being developed to create machine-tractor stations and points for processing and cleaning grain. Planning and survey work is underway for building an earth dam on the Alvero River, for creating an irrigation system and for developing 10,000 hectares of land in the region of Gambela.

Soviet phytopathologists -- specialists in the protection of vegetation -- have been working in Ethiopia since 1974. A scientific phytopathological laboratory was opened there in 1977. It is equipped with modern Soviet equipment. Among the instruments, there is an electron microscope, the only one in East Africa. The Soviet scientists are helping to protect plants from disease, pests and weeds and in the training of local personnel in this field. The importance of this work can be judged from the single fact that Ethiopia loses 30 percent and more of its harvest every year because of plant disease and because of pests. The research of the laboratory's scientists encompasses all of Ethiopia's basic agricultural crops -- wheat, barley, grain legumes, pepper, potatoes, corn, and others.

In the laboratory, experiments are being conducted on 4,000 types of wheat and barley, including 500 local and 300 Soviet types. The Soviet scientists are devoting special attention to the introduction of drought-resistant types of grain crops. Great significance is being given to developing potatoes which can be widely grown in Ethiopian conditions. Work is being done on the introduction of scientific data into the everyday practice of the country's agricultural cooperatives, and equipment and materials are being supplied for the construction of grain warehouses having a total capacity of more than 300,000 tons and six refrigeration installations with a capacity of 4,100 tons.

East Germany has supplied Ethiopia with 1,000 tractors and, in 1985, a brigade of machine operators from the Union of Free German Youth helped to gather the harvest in the southern regions of the country, using combines imported from the

GDR. Germany is extending Ethiopia favorable commercial credits for the import of tractors, earth-digging equipment, machinery and equipment for harvesting grains and feeds and for dairy farms, as well as pumping stations for irrigating and draining the land.

Bulgarian specialists are providing assistance in planning and supervising the construction of small reservoirs and irrigation systems and in the organization of agricultural scientific institutions and state agricultural farms.

The Republic of Cuba is taking part in the construction of infrastructure projects-- roads, reservoirs, pumping stations, and irrigation systems -- and in the planning and construction of small dams. Cuba is also helping to organize state farms for growing sugar cane and to create a veterinary service, and is also supplying laboratories with animal vaccines, with chemical preparations to diagnose cattle diseases, with equipment for artificial insemination of animals, etc.

With the assistance of Czechoslovakia, grain warehouses are being built in Kokeba and Avassa and proposals are being developed for the construction of a meat combine in Addis Ababa.

In 1984, like a number of other African countries, Ethiopia suffered a severe drought. Twelve of her 14 administrative districts (about 7 million people) suffered. The 1984 harvest 30 percent lower than previous years.

The CEMA member countries responded without hesitation to Ethiopia's request for aid in connection with the drought. Ships and planes were sent to Ethiopia, delivering cost-free wheat, rice, flour, sugar, canned goods, milk products, medicines, clothing, tents, cloth, motor vehicles, water pumps, drilling installations and other equipment for finding and transporting water, for creating irrigation systems, for watering the land and for constructing wells. And they temporarily assigned their specialists to help the population. Among them were medical personnel, drivers, pilots, irrigation specialists, water geologists, construction workers, and agricultural specialists. More than three-quarters of all shipments for the victims of the drought were carried by the transportation facilities of the CEMA member countries. By the beginning of 1985, essential products had been provided to 5 million inhabitants of the drought regions.

The drought, enveloping most of Ethiopia's provinces, introduced a correction to realization of the 10-year plan for the country's economic development. However, the determination of the people of Ethiopia to overcome all difficulties and the constantly developing economic and technical cooperation of Ethiopia with the lands of the socialist commonwealth stand as a promise that it will be fulfilled.

To create an all-round, developed national economy in Ethiopia, the CEMA member countries are providing assistance in the creation and development of her metal-working, light, wood-working, and chemical sectors, the building materials industry, enterprises producing ceramics and pottery for everyday use, the construction industry, ore mining, and others. The large projects

include a textile combine in Kambolcha, built with the help of East Germany and Czechoslovakia, that has a capacity of 20 million square meters of fabric a year. After it is put into operation and reaches its planned capacity, Ethiopia will completely satisfy its requirements with textiles it produces itself. The GDR and the USSR are helping Ethiopia to build cement plants and to increase the capacity of state construction organizations.

With Czechoslovakia's assistance, a large brewery, with a capacity of 200,000 gallons per year, has been built in the city of Harar.

Altogether, during the years of cooperation, 30 industrial projects have been completed with the participation of the CEMA member countries and another 40 are under construction at the present time.

Particular attention is being devoted to the training of Ethiopian personnel, both in the process of building projects and placing equipment into operation and at specialized trade schools, built and equipped in Ethiopia with the assistance of the CEMA member-countries.

Working hand in hand with the Ethiopians, 1,500 specialists from the fraternal countries are participating directly in the construction of national economic projects.

At the present time more than 7,000 Ethiopian citizens are studying at higher and secondary specialized educational institutions in the CEMA member countries. During the past 5 years alone, more than 2,500 persons received diplomas upon completion of higher and secondary specialized education and more than 600 people were trained as skilled workers. These specialists are fruitfully employed in various sectors of the economy, actively participating in the country's progressive transformations.

Along with bilateral collaboration, the countries of the socialist commonwealth, by means of forming cooperatives, are providing assistance on a multilateral basis as well. An example of such mutual assistance is the Melka Vakana hydraulic development, which is being built with the participation of the USSR and Czechoslovakia. The largest project in Ethiopia, it includes a hydroelectric power plant with a capacity of 153,000 kw, a dam with a reservoir that will make it possible to revive hundreds of thousands of hectares of desert lands, and electric power lines stretching 225 kilometers. By 1985, the majority of construction base projects had been put into operation at the complex and Soviet, Czech and Ethiopian specialist are now working together, building its basic units.

The collaboration of the CEMA member countries and of the Council of Economic Mutual Assistance itself with socialist Ethiopia is playing an outstanding role in the development of Ethiopia's economy. A number of important international

documents lie at the basis of Ethiopia's broad and multilateral mutual relationships with the socialist commonwealth. Among them are treaties on friendship and cooperation, declarations fixing the principles of the relationships, and agreements and protocols regarding economic, trade, scientific and technical, and cultural ties. Bulgaria, Hungary, Cuba, Romania, the USSR and Czechoslovakia have established intergovernmental commissions on economic and scientific and technical cooperation and on trade with Ethiopia. Their activity is helping to consolidate and specify the various kinds of relations between the fraternal countries and Ethiopia. For a number of years, representatives of Ethiopia have been participating as observers in the work of the CEMA Session.

The Ethiopian revolution has achieved great successes. The authority of socialist Ethiopia has increased on the African continent, in the UN and in the Nonaligned Movement. Ethiopia is decisively turning back attempts by the imperialist powers to create centers of tension in various regions of the world, is playing an outstanding role in the Afro-Asian and Afro-Arab solidarity movements, is an active fighter for the full elimination of colonialism, racism and apartheid, and is exerting a positive influence on the establishment of good neighborliness and the normalization of relations among the countries of Africa.

Under the direction of the Party of the Working People of Ethiopia, the laboring people of socialist Ethiopia are fully determined to overcome all difficulties and to carry the socialist transformations in their country to a victorious conclusion. For this struggle, Ethiopia is receiving experience and support in broad political and economic collaboration with the member countries of CEMA, with all the world's progressive forces, and is confidently pursuing its chosen path.

COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva

13032

CSO: 1825/81

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

AFGHAN CHILDREN VACATION AT PIONEER CAMPS IN KIRGHIZ SSR

Frunze SOVETSKAYA KIRGIZIYA in Russian 26 Jul 86 p 1

[Text] On 25 July, on a special flight from Kabul to Frunze, 200 children from the Democratic Republic of Afghanistan arrived for vacation at a pioneer camp. This is the third year in a row that Afghan children are coming to Kirghiziya for vacation.

At the "Manas" airport the state flags of the USSR, the DRA and the Kirghiz SSR were raised. In the hands of those greeting the children--representatives of party, trade union and Komsomol organizations of the republic and groups of pioneers--are flowers, slogans of greeting and signs.

Directly from the stairs of the plane the young Afghans landed in the warm embraces of their Soviet counterparts. The language barrier did not hinder the first acquaintance, the words of greeting extended to each of the children. The majority of the Afghan boys and girls who arrived were children of patriots who fought against the dushmans or died in the struggle against enemies of the revolution. It was not by hearsay that they were familiar with the whistle of bullets or the roar of exploding shells.

The secretary of the Kirghiz Trade Union Council A. Omurova opened the short meeting. She emphasized the indestructible friendly ties between the Soviet Union and Afghanistan and wished the Afghan children a pleasant vacation in the pioneer camp. Lena Semkina, a Frunze schoolgirl, greeted the guests in the name of the republic's pioneers.

The leader of the Afghan delegation, Hafiz, thanked the greeters for their heartfelt reception and noted that the invitation to the Afghan children to vacation in the Soviet Union was a clear confirmation of the friendship between the peoples of the two countries.

The Afghan children's vacation will last a month at the "Stroitel" pioneer camp and every day will be filled with contests, games, competitions and activities in circles and clubs. The Afghan children will get acquainted with the republic's capital and the city construction chiefs, as well as artists, film actors and children's writers from the republic will visit them.

TUNISIA, SOVIET UNION SIGN LAW TREATY

[Editorial Report] Moscow VEDOMOSTI VERKHOVHOGO SOVETA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian No 28, 9 July 1986 carries on pp 491-502 the a 24,000-word text of a treaty titled "Treaty between the Union of Soviet Socialist Republics and the Tunisian Republic on Legal Aid in Civil and Criminal Affairs" which provides for cooperation between the two countries in different areas of law. The first section presents a general statement of principles and names the negotiators, Boris Vasilevich Kravtsova and Mokhammed Shakera, Ministers of Justice from the Soviet Union and Tunisia respectively. The second section on civil affairs discusses the rights of a citizen from one of the countries when residing in the other country. The section also provides for cooperation in reference to the exchange of information on each other's laws. The third section outlines the procedure for extraditing criminals to the other country to stand trial for their crimes. The treaty was signed in Moscow 26 June 1984. It was then ratified by the Presidium of the Supreme Soviet 25 July 1985 and by the Tunisian Republic's House of Representatives 5 July 1985. The Instruments of Ratification were exchanged in Tunis 14 April 1986.

CSO: 1807/344

- END -