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# ***JPRS Report***

## **Soviet Union**

### ***International Affairs***

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# NOTICE

Effective immediately, the JPRS REPORT: SOVIET UNION/PROBLEMS OF THE FAR EAST, a translation of the Russian-language journal PROBLEMY DALNEGO VOSTOKA published in Moscow by the USSR Academy of Sciences Far East Institute, will no longer be published. The journal is also published in English in Moscow by the USSR Academy of Sciences Far East Institute under the title FAR EASTERN AFFAIRS.

# Soviet Union

## International Affairs

JPRS-UIA-88-009

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**AAPSO President on Organization's 30 Years,  
Future Tasks, Aims**  
*18070056b Moscow AZIYA I AFRIKA SEGODNYA  
in Russian No 12, Dec 87 pp 6-7*

[Article by Abdel Rakhman Ash-Sharkau, president of  
the Organization for Solidarity with the Peoples of Asia  
and Africa (AAPSO): "AAPSO: Our Motto—Unity"]

[Text] *An event transpired thirty years ago in Cairo that  
was destined to play an important role in the fate of the  
peoples of the Afro-Asian world. The prominent state and  
public figures and representatives of science and the arts  
of the two continents assembled in the capital of revolu-  
tionary Egypt proclaimed the creation of AAPSO, thereby  
laying the foundation for the organized formulation of the  
major socio-political trend of modern times—the solidar-  
ity movement. It was called to life by the actual interna-  
tional situation and the objective requirements of the  
ripening national-liberation struggle and dictated by the  
interests of cohesion of all patriotic forces and their  
mobilization for the triumphant storming of the colonial  
torture-chambers. An awareness that the common  
enemy—imperialism—must be opposed by united and  
determined actions armed the fighters for national liber-  
ation with a weapon of great moral and political force.*

AAPSO has become a material factor in the cohesion of the broad anti-imperialist, national-patriotic and progressive circles of the society of both continents and has taken its deserved place in the potential of the forces of peace, reason and good will.

The journal, in connection with the noteworthy date in the life of AAPSO, has turned to its president, Abdel Rakhman ash-Sharkau, with a request to relate the chief tasks it faces today.

This interview was the last in the life of the AAPSO president, which was unexpectedly cut short.

The thirtieth anniversary of our organization is an important historical milestone on the path of the solidarity movement. A great and difficult path has been traversed, noted for the unwavering process of cohesion and consolidation of the efforts of Afro-Asian society, increases in its political activeness and improvements in its organizational forms and methods of activity aimed at ensuring the unity of progressive and patriotic circles in the fight for the vital interests and rights of the peoples of both continents.

Since its founding, AAPSO has regarded the principles of anti-imperialism and anti-colonialism to be of paramount importance in its activity and has proclaimed and is actively incarnating the ideals of peace, freedom and independence of peoples based on their unity and fraternity. We are striving through all of our actions—the waging of various mass campaigns, conferences, meetings and seminars—to reinforce the sovereignty and independence of the liberated countries of both continents, eliminate their economic inequality, put an end to the discrimination practiced by imperialism in the sphere of world politics and economics and affirm the dignity of man and his primary right to life under conditions of peace and prosperity.

The peoples of Asia and Africa, who have known the burdens of colonial rule and oppression in their own experience, are filled with a determination to liberate mankind from the pollution of colonialism completely and forever, and they have united all progressive forces into a unified anti-imperialist front. And the sacred duty of AAPSO is to ensure, by all means available, the achievement of these noble aims and strive for the triumph of ideas of freedom, justice and peace.

Mankind is currently experiencing an exceptionally crucial and alarming period. It has actually come to the point where the future of our civilization is being called into question, where the problem of war and peace has moved into the center of international politics. The sinister military danger hanging over our planet is unprecedented both in nature and in geographical scope. It directly concerns all peoples and all continents, including Asia and Africa. If global thermonuclear catastrophe is unleashed, the nuclear whirlwind will not spare them.

There can be neither passivity nor indifference in the face of such a threat. It is a waste of time to nourish illusions, to hope for a happy event, for an automatic warming of the international climate. Active and decisive steps are needed. AAPSO thus emphasizes in its presentations that the champions of national and social liberation, regardless of racial and national affiliations or ideological and political views, cannot have a more important and urgent task than averting mankind's falling into the thermonuclear abyss.

Peace and the solidarity of progressive forces are indivisible. The terrible realities of the nuclear-missile era persistently require of us the application of ever greater efforts to revive the international climate, halt the senseless arms race and seek peaceful settlements of the regional conflicts that are so fraught with danger of becoming general wars. That is why AAPSO is calling for the conclusion of international agreements that envisage a complete ban on nuclear weaponry and all testing of it, opposes the militarization of outer space and demands the cessation of the production and improvement of means of mass destruction along with reductions in conventional arms and armed forces.

There cannot be peace on our planet, there is no path to growth in the welfare of peoples, without eliminating the danger of nuclear catastrophe and halting the arms race, without cutting off the policies of neoglobalism and the neocolonial exploitation of the liberated countries. We also feel that the road to genuine peace and its stability lies through the observance of the UN Charter and support for civilized norms of intercourse with equal rights and respect for the rights and dignity of man among states along with the eradication of all manifestations of racism, violence and oppression on Earth.

Problems of disarmament and development and the issue of shifting the funds going to the production of lethal weapons to peaceful purposes, satisfying the vital needs of the liberated countries, surmounting their economic backwardness and paying off the colossal foreign debt to imperialist creditors, is taking on an ever-increasing role in the activity of our organization.

The task consists of putting an end to the neocolonialist plundering of our resources by the multinational corporations, achieving economic independence, establishing solid sovereignty over national wealth and providing for economic development. We are in favor of the establishment of a new international economic order and a review of world economic ties on a just and democratic basis, and we are calling for an expansion of fruitful collaboration both among the liberated countries and among us and the socialist states.

Issues of moral and political support for the just struggle of the Arab peoples against the aggressive and annexationist policies of the Zionist rulers of Israel, enjoying the patronage of the United States, occupy a prominent place in the activity of AAPSO. At their meetings, the

participants in the solidarity movement are steadfastly in favor of the immediate withdrawal of Israeli troops from occupied Arab lands and the satisfaction of the legal rights of the Arab people of Palestine, including their right to create their own independent national state. We feel that the international conference that is being proposed under the aegis of the UN can make a positive contribution to the just resolution of the Near East conflict. All interested parties, including the PLO—the sole legal representative of the Palestinian people—should take part in it.

Unity among the ranks of the progressive Arab states and the surmounting of prevailing differences, especially between Syria and the PLO, have great significance in opposing Israeli expansion.

The solidarity movement is an active participant in the international campaign to turn the Indian Ocean and Pacific regions into a zone of peace, security and mutually advantageous collaboration. AAPSO passionately supports the valuable initiatives of the Soviet Union that called for a normalization of the situation in the Asian-Pacific region, not permitting it to turn into an arena for military and political confrontation, and for removing the nuclear threat hanging over it through the fault of imperialism.

Our conscience cannot rest until the evil of foreign oppression and violence has been extirpated in the Asian-Pacific region, while racism, apartheid and racial discrimination exist, while our brothers in South Africa and Namibia languish in colonial bondage and are subject to the cruelest terrorism on the part of the South African regime. We are striving through our actions to facilitate the liquidation of the remaining seats of colonialism and are trying to bring closer the hour of triumph of the just cause of the South African patriots.

The tasks facing AAPSO are great and sweeping. And this charges us with exceptionally great responsibility and requires the further activation of steps in many directions and a quest for efficient ways and means of resolving urgent tasks in light of the new political thinking.

The experience of AAPSO testifies to the importance and vitality of the solidarity movement. Over the last 30 years it has achieved major successes, fulfilled its historical mission in worthy fashion and proceeded confidently in step with the times, being a constituent element of the motive forces of progress and liberty. It must be noted in particular herein that the effectiveness of the solidarity movement is determined largely by the unity and cohesion of the patriotic and progressive circles in the ranks of AAPSO.

In marking our anniversary, we are solemnly declaring our determination to wage an unweakening struggle to implement those noble principles and the ideals of freedom, independence and peace that are inscribed on the banner of AAPSO in the future as well.

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### **Situation in Ethiopia Viewed as New Constitution Adopted**

18070056c Moscow AZIYA I AFRIKA SEGODNYA in Russian No 12, Dec 87 pp 18-20, 24

[Article by G. Gabrielyan, TASS correspondent on special assignment for AZIYA I AFRIKA SEGODNYA, under the rubric "On the Path of Progressive Transformations": "Ethiopia—A New Page of History"]

[Text] The Addis Ababa Palace of People's Assemblies, 10 Sep 87, three o'clock in the afternoon. "...And as a result of unanimous affirmation by the deputies of the Shengo of the constitution of the People's Democratic Republic of Ethiopia, I declare it to be proclaimed from this moment on!" The latter words of Mengistu Haile-Mariam were drowned in thunderous applause. The president of the republic could not stop the ovation for a long time.

Ethiopia has opened a new page in its two millenia of history. The provisional military administrative council that had led the country after the anti-monarchical revolution of 1974 has handed over full power to representatives of the workers.

Addressing the participants in the constituent session of the National Assembly (Shengo), for the first time formulated according to the results of direct democratic elections, Mengistu Haile-Mariam outlined the tasks facing the country. With the proclamation of the republic, he said, a reliable means for the successful completion of the fight we began to create a new Ethiopia that celebrates justice, equality and peace has appeared at our disposal. The president cited the collaboration that has taken root over the last 13 years with the socialist states, the international workers' movement and revolutionary and democratic forces as the basic result of the revolution.

The development of the new Ethiopia is followed attentively either with sympathy or without it far from its borders. How has it arrived at this historic position?

### **The Village**

Ethiopia is sometimes called the "breadbasket of Africa," but unfortunately having in mind some time in the future rather than today. Out of the 79 million hectares of land that are suitable for cultivation, no more than seven are being actively worked. Irrigation is in a rudimentary state, and agriculture thus has an unhealthy dependence on the amount of precipitation. In the

savage drought of 1984-85, it was decided to begin the resettlement of people from the poverty-stricken areas of the country to more fertile ones.

Some 600,000 peasants, primarily from the provinces of Eritrea and Tigre, have been settled in the southeastern regions as of today. Imperialist propaganda has tried diligently to compromise this program, disseminating fabrications that tens of thousands of people have perished in the resettlement. The coordinator of food assistance to Ethiopia through UN channels, Michael Priestley, and the executive coordinator of the UN Bureau for Extraordinary Operations in Africa, Maurice Strong, have decisively refuted this slander, pointing out in particular that it is namely the resettlement program that has made it possible to avert human losses comparable to those that the country suffered during the war. One out of three resettlers, by the way, was evacuated on Aeroflot aircraft: our fliers have rendered effective aid to Ethiopia in fighting the consequences of the drought.

Yes, as a matter of fact, in January of 1985, when five thousand extremely emaciated people a day were being taken out of the disaster zones, not everyone was able to withstand the journey. They were able to keep the number of victims, however, to a minimum. It happened that families were separated during the great haste—the Ethiopian Red Cross was later engaged in re-uniting them. Finally, in some instances the choice of a new place of habitation was unsuccessful, and the resettlers had to travel once again. These errors were later taken into account. The village elders now first go to the projected region and report their conclusions to a general gathering, which then decides.

The fulfillment of the program will continue, they are declaring in Ethiopian leading circles. Its topical nature is emphasized by the threat of a new drought which, according to preliminary estimates, could affect up to five million people.

Another most important socio-economic program being implemented in the country is the creation of enlarged villages. The uniting of the scattered small villages in which the peasants have lived for centuries is resolving two tasks at once: guaranteeing people dignified conditions for existence—clean drinking water, medical care, the opportunity of sending children to school—and at the same time preparing the preconditions for the collectivization of agriculture.

I visited a new village near the eastern border of Ethiopia. It was called Asaliso, which in translation means "land of milk." There really are excellent arable lands and pastures here. What free space for the livestock breeders that inhabit these places! And people came here from just fifteen kilometers—they had earlier huddled together on the bald mountain slopes, not knowing of the

fertile valley that was right nearby. "Such is the inertia," sighs Manyakhle Kedebe, an employee of the regional committee of the Workers' party of Ethiopia (WPE) who was accompanying me.

Be that as it may, some 500 families that three years ago had lived in 18 small villages have become a commune today. The people had lived half-starving for too long, and at first they needed everything the earth could give them. Some of the last harvest has been sent to market. The 265 hectares allotted to the village has allowed them to produce sorghum, corn and sugar cane in abundance.

"Has anyone left Asaliso?" I asked the chairman of the peasants' association, Akhmed Mume. "There have been none," replied the chairman, a tall young fellow, wrapped in the traditional cotton cloak, the only thing keeping the scorching sun off him.

Let's say that he didn't want to tell the journalist the whole truth, and that some have perhaps nonetheless headed for the old homestead. What I saw in various parts of Ethiopia, however, refutes the concoctions of its enemies of the "forcible" resettlement of the peasants to the enlarged villages. They are not forced into collectivization. There is, for example, no cooperative in Asaliso.

The issue is not so much material conditions as it is the creation of tillers of the land, which frequently cannot break the traditional institutions of life. Collective labor is not historically characteristic of the Ethiopian peasantry, and one cannot expect the immediate ascent of agricultural production just from the fact that they have been brought together. It is well known what tragic consequences can result from forcing the most delicate process of restructuring the village. If it is not "over-organized," however, if it is not made into an end in itself, then the 13,000 new villages like Asaliso that have appeared in the last 13 years and where some 8.5 million peasants have moved—about 20 percent of the country's population—will with time, it seems to me, certainly provide an impetus for voluntary joint labor.

### The Capital

The first thing that attracts attention in Addis Ababa are the national flags over many quite conventional and even unprepossessing structures. Here are located the "headquarters" of the urban residents' associations—the kebele—affirmed over the last decade in the role of organs of popular self-management.

I happened to be working in Addis Ababa soon after the revolution. There was a period when street fights went on constantly in the city at night. On one side of the barricades were those that the new powers had deprived of houses of profit and the status of masters of the capital, and on the other were the "raznochinty" supporting the social coup begun by the military. I remember an enormous display board in the municipality hung with photographs in frames of mourning. That is how

they remembered the fighters from the detachments protecting the revolution at that time. It was they who were creating the first kebeles...

Today there 25 "central" kebeles in the capital that unite 284 lower-level associations. The representatives of the micro-regions elected to them resolve issues in the development of education, health care, culture and sports in their zone in collegial fashion and manage the distribution of the principal food products according to fixed state prices. Public order is maintained by detachments of volunteers formed chiefly from among the youth. Much has come to pass that quite recently seemed a fairy tale, even though it was inscribed in the program of the national-democratic revolution: the villas of the traders have been re-equipped as kindergartens, the numerator and denominator have exchanged places in the ratio of literate and illiterate people, and teaching in the schools, at one time accessible only to the children of the privileged minority, has become obligatory for all children. I in no way want to say that social problems no longer exist here. Little children with outstretched hands run up to the cars of foreigners waiting for a green light from time to time. There are still many apartments where the living can be called modest only out of delicacy, so as not to call them "poor." It's not easy to be rid of the legacy of many centuries of backwardness.

But the Ethiopian capital is looking to the future with more and more confidence. Some 57 million birrs<sup>1</sup> have been allocated to implement the general plan of development under the motto "We Will Make Addis Ababa Comfortable for Living and Working." In practice this should signify the elimination of unemployment, which is making itself palpably felt, the uninterrupted supply of drinking water to all regions and the expansion of the public-transportation network—one must use primarily private taxis today. A program of housing construction, including both based on cooperation and using the "people's construction project" method—the state grant credit to urban residents for the procurement of building materials and assigns skilled consultants, while the houses themselves are built by the future inhabitants—occupies a key place in the plan.

The presence of our countrymen is closely linked with the history of Addis Ababa. A mission of the Russian Red Cross arrived in the foothills of the Entoto Mountains, where the Emperor Menelik II had just founded the new capital of the country, in 1896. It rendered aid to the wounded soldiers of the Ethiopian army that had won an unexpected victory over the Italian usurpers in a battle near Adua. They showed us a "Russian street" not far from the Soviet Embassy—that is where the doctors from Russia lived. The hospital of the Soviet Society of the Red Cross, bearing the name of Dadyazmach (Commander) Balcha—a national hero of Ethiopia—celebrated its 40th anniversary this October. Some 3.5 million patients have made use of its services over that time. A permanent Soviet exposition that has long since in essence turned into a Soviet cultural center was

opened soon after World War II on a steep lane near the municipality. Every spring dozens of upperclassmen and college students receive certificates here upon completion of Russian-language courses, and the most gifted are sent to study in the USSR. By the way, those who continue their education in the mother country have the opportunity of hearing lectures from Soviet instructors working under contract at Addis Ababa University.

### The National Question

The first session of the Shengo assembled not 835 deputies, as expected, but 813. They were unable to hold elections in 22 districts. Judging from everything, it was separatist groups acting in the area of Eritrea and in some regions of the province of Tigre that impeded this. They are fighting against popular power as much as it exists. Begun a quarter century ago as a protest against great-power monarchical tyranny, the separatist movement has degenerated into a "Trojan horse" fed by imperialism.

Two weeks before the proclamation of the people's democratic republic I spoke with Tefera Wonde, then first secretary of the WPE provincial committee in Asmara, the chief city of Eritrea. "The separatists have become a dried fish by today," he snapped. "In it we see an enemy, because they destroy and annihilate that which we are building—hospitals, schools, roads, bridges. The people are on our side. The authorities are informed of the movements of the bands. The draft constitution was approved by over 85 percent of Eritreans, and we feel that the Worker's Party has a social base in the province."

I had occasion to converse more than once with those who have responded to the government's decision to grant amnesty and have left the "trenches." Forcible recruiting, the intimidation of the peasantry, the forced surrender of adolescent sons to the separatists—those are the principal means for replenishing the detachments fighting, in essence, against their fatherland. And they nonetheless number more than ten thousand people. Apparently the leaders of the movement have been able to manipulate their consciousness, making use of the fact that war has managed to become a way of life for a whole generation of Eritreans. At the same time, the overwhelming majority of them do not want this situation to continue in the future.

Taking these sentiments into account, the National Assembly has appealed to all who for various reasons have up to now been unable to take part in the progressive transformations with an appeal to halt the bloodshed and be included in the democratic process of constructing a new Ethiopia. The Shengo has adopted a fundamentally new resolution to grant Eritrea the status of an autonomous province, guaranteeing respect for its ethnic, cultural, linguistics and other special features. The concrete substance of this status should be determined later by the local Shengo.

The province of Tigre has also obtained autonomy along with the Ogaden region, bordering Somalia, and the regions adjoining two major cities—the Red Sea port of Assab and the trade and industrial center of Dire-Dawa. The session affirmed the new administrative division of the country overall based on the specific ethnic and socio-economic nature of this or that region. Aside from the five autonomous territorial entities, we see another 24 provinces on the map as well. Some were formed by breaking down the provinces of Shoa, Harar, Wallo, Gojjam and Gondar—among their successors have appeared the attributes Northern, Southern and Western, while others have been newly created. They will elect their own Shengo everywhere.

The citizens of the republic proclaimed on the land of ancient Ethiopia are setting about accomplishing the tasks formulated by the first session of the National Assembly: completing the national-democratic revolution and laying the foundation for the construction of a socialist society in the future.

#### Footnotes

1. One hundred birrs are equal to 30.8 rubles.

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#### Recent Soviet-Afghan Economic Cooperation, Soviet Aid Detailed

18070056d Moscow AZIYA I AFRIKA SEGODNYA in  
Russian No 12, Dec 87 pp 21-24

[Article by Doctor of Economic Sciences A. Davydov:  
"The Shoulders of a Friend"]

[Text] The country has suffered enormous losses as a result of the undeclared war that has been waged against the DRA [Democratic Republic of Afghanistan] by international imperialism and reaction for over eight years. Dozens of industrial enterprises and many electric-power plants, a considerable portion of the electrical-transmission lines and some 14,000 kilometers of telephone and telegraph lines, as well as irrigation facilities, bridges, roads, transport equipment, schools, hospitals and mosques, have been destroyed or put out of service. According to current estimates, the total direct economic damage inflicted upon the national economy has reached 50 billion afghanis, or over a billion dollars, which is equal to one third of the country's entire gross national product. And it is exceedingly symbolic that a sum twice as large is the amount of appropriations allocated in recent years by the United States to wage the undeclared war against revolutionary Afghanistan.

But more than just the direct losses must be taken into account. Due to the activities of the counter-revolutionary bands, the transport and economic ties among regions of the country have also proven to be disrupted. Industrial and other enterprises have begun to experience a permanent shortage of raw materials, fuels and electric power. As a result, they are operating at chronic under-utilization levels. Due to the economic blockade against the DRA that has in essence been established by the Western countries headed by the United States (almost 20 percent of goods turnover), the shortfalls in the balance of trade and payments of the country have correspondingly diminished the state gold-currency reserves.

All of this, along with the necessity of increasing defense spending, has also led to a fanning of the budget crisis as well, for the covering of which the issue of paper money has been expanded. The inflationary growth in prices for mass-consumption goods and increased speculation and contraband, while they have not yet reached a threatening level as in some other countries, are affecting the pockets of broad segments of the working population nonetheless. The government has been forced to take special steps to stabilize prices, has raised wages and is using a coupon system to supply workers and employees of state enterprises and institutions with foodstuffs and industrial consumer goods at fixed prices. A difficult situation has nonetheless been created in a number of remote and inaccessible regions: the population has suffered acute shortages of goods of prime necessity.

Even under such difficult conditions of unweakening opposition of the counter-revolution, however, the DRA has developed its economy, striving to weaken the influence of negative trends that have arisen.

The considerable expansion of the scale of trade and economic relations between the DRA and the socialist countries, and first and foremost the Soviet Union, which were raised to a qualitatively new level after the April revolution, has played a most important role. One can become convinced of this just by comparing the commodity turnover of the DRA with the countries of the capitalist West and the socialist states.

Thus, from 1978 through 1986, DRA exports of astrakans, rugs, dried fruits, raw leather, wool and other most valuable Afghan commodities to the capitalist states dropped by half (from 96 to 41 million dollars), while imports of industrial goods fell by several times (from 15 to 5 million from the United States, from 22 to 9 from England and from 47 to 17 million dollars from West Germany).

At the same time, exports from Afghanistan to the socialist countries, and first and foremost the USSR, of natural gas, cotton, wool, raw leather and fruits have increased by almost four times in cost terms (from 122 to 435 million dollars), while imports of industrial commodities from them have increased some 6 times (from

112 to 607 million dollars), including 6.5 times more from the USSR (from 90 to 568 million dollars). Trade with the developing countries, especially with Pakistan, has remained more or less steady over the same time period (exports even increased by 1.5 times—from 41 to 61 million dollars).

By 1986 the foreign-trade turnover of the DRA had doubled compared to 1978 (from 0.743 to 1.45 billion dollars) chiefly thanks to growth in trade with the socialist countries. Their share of Afghan exports had increased from 38 percent (USSR—35 percent) to 77 percent (USSR—67 percent), while for imports they went from 27 percent (USSR—21 percent) to 69 percent (USSR—64 percent).

The volume of foreign trade between the USSR and the DRA should increase roughly by another 30 percent according to a new trade agreement concluded for 1986-90 between the two countries on 13 Feb 86.

Whereas trade with the capitalist states, and even with such countries that are immediately involved in the conflict as Pakistan, continues to grow despite everything, this can unfortunately not be said in regard to economic collaboration at all. The Western countries, headed by the United States, as well as the international financial organizations they control such as the World Bank and the Asia Bank, have actually ceased rendering economic aid to Afghanistan, even refusing to fulfill obligations they had taken on earlier for specific facilities. The United States is furthermore putting enormous pressure on all other specialized international organizations, striving to keep them from granting economic aid to the DRA.

Thus, over the five-year period that ended last year (1981/82—1985/86), in the course of which the economic and social development of the country transpired within the framework of yearly plans, roughly 90 billion afghanis, or about two billion dollars, were invested in the national economy, which exceeds capital investment in any pre-revolutionary Afghan five-year plan.

The implementation of a plan of economic and social development for the republic that is figured for a five-year period overall (1986/87—1990/91) began in March of 1986. The "Fundamental Directions of the Five-Year Plan" that were adopted by the NDPA [People's Democratic Party of Afghanistan] Central Committee and the DRA government pose exceedingly important tasks, among which we cite the following: the paramount restoration, reconstruction and technical retooling of existing enterprises; the completion of construction and the accelerated start-up of facilities that have by this time already achieved a "high level of readiness"; a rise in the efficiency of the utilization of operative enterprises; and, the rendering of all-round assistance to the development of agriculture.

Agreements were concluded in February and August 1985 regarding the economic and technical collaboration of the USSR and the DRA that envisage assistance in creating a series of facilities for the five-year plan. The Soviet Union has granted long-term credit on the scale of 168 and 170 million rubles on preferential terms to Afghanistan for rendering this financial assistance. Industrial, power, agricultural, transport and other facilities important to the national economy of the DRA will be rehabilitated, reconstructed or constructed using this credit.

Over 50 facilities for the national economy were constructed in Afghanistan with the help of the USSR over the years following the April revolution. More than 90,000 Afghan specialists and workers have been trained at facilities in operation and under construction. Up to 60 percent of all of the country's industrial products today are produced at enterprises that were constructed or reconstructed with the aid of the Soviet Union, and up to 75 percent if one considers only enterprises in the state sector.

The five-year plan, already in its second year of implementation, includes over 130 facilities of Soviet-Afghan collaboration. The corresponding corrections have been made in the program of Soviet-Afghan collaboration with the proclamation of the DRA government policy of national reconciliation. "The agreements reached earlier in the sphere of trade, economic and cultural ties on the plane of imparting more correspondence to them to the requirements of the socio-economic development of Afghanistan apropos of the period of national reconciliation were made more concrete" during the February 1987 Moscow visit of S.A. Keshtmand, a member of the NDPA Central Committee Politburo and chairman of the DRA Council of Ministers, as was noted in the official communique.

The task of restoring and reconstructing the most important sectors of the DRA economy and the achievement of a normally functioning national-economic mechanism that encompasses all regions of the country with particular emphasis on the economic development of the most backward regions under peaceful conditions, as well as the task of providing work for the whole working population and, especially important, the refugees returning from abroad, is taking on particular significance in this regard.

Contracts have been signed to expand geologic surveying and the extraction of natural gas and some minerals in 1986-90, which expansion is called upon not only to increase the export resources of the country, but also to create future preconditions for the development of heavy industry.

The resolution of the power problem will move forward considerably. Some 70 kilometers of electrical-transmission lines transmitting electric power from the territory of the USSR to the center of the Afghan cotton-ginning

and churning industry in the city of Qonduz were built and placed in service in the first year of the five-year plan. This is the second such line. The first was put up in 1986 from the USSR border to Mazar-e Sharif, and next are high-voltage lines from here to the west—to the gas fields in the Sheberghan region—and to the southeast—to Pol-e Khomri and Kabul. Before this there were only a TES [thermoelectric power plant] in Mazar-e Sharif and a GES [hydroelectric power plant] in Pol-e Khomri, built with Soviet aid, in the north.

The first modern foundry in the country, built with Soviet assistance in 1987 at the Dzhangalak truck-repair plant in Kabul, along with the increased capacity there for the capital repair of heavy-load trucks, will doubtless have to fulfill most important tasks in repair and restoration work and in construction.

The problem of transport and communications is also being solved in Afghanistan with the assistance of the Soviet Union. The reconstruction of the high-altitude Salang tunnel in the Gindukush ridge on the main north-south route at the end of last year played a material role. The flow of freight to supply the Kabul and other southern regions with capital and consumer goods has grown sharply in recent years on this road, justly called "the road of life" by the people. Traffic capacity has been tripled as a result of the completion of the work on the tunnel, and the uninterrupted passage of even the heaviest tractor-trailers, large trailers and container carriers has been ensured.

The use of modern transport equipment has in turn become possible thanks to the creation of four state trucking enterprises in Kabul that are equipped with hundreds of MAZ and KamAZ trucks that carry more than half of all freight shipments on this route. The joint Afghan-Soviet stock transport-expedition company AFSOTR (51-percent owned by the DRA and 49-percent by the USSR) furthermore fulfills an important role and has, over the course of 10 years, supported both shipping along the Afghan-Soviet trade line and the through transit of Afghan trade across USSR territory with other countries.

The technical outfitting of ports on the Amu-Darya border river and the border rail terminals of Towraghondi and the Khayraton bridge, as well as Kabul Airport, are being improved and serve as the foreign-trade "gateways" of the republic.

Solving the problem of increasing the production of foodstuffs and agricultural raw materials along with growth in the light and food industries are naturally of paramount significance. The Soviet Union is rendering assistance to the DRA in rehabilitating a number of irrigation facilities in the northern regions and the southern part of the country, drilling over 200 artesian wells and other wells for irrigating pastureland in five southern provinces, developing a network of MTS [machinery and tractor stations], supplying agricultural cooperatives

and peasant farms with equipment, mineral fertilizers and high-grade seeds, expanding veterinary services, reconstructing elevators, silos and grain storage facilities in Kabul and northern cities, textile mills in Kabul and adjoining regions etc.

The creation of state farms for growing cotton, grains and sugar beets is envisaged in the plans for Soviet-Afghan collaboration within the framework of the five-year plan. On the lower reaches of the deep Kokha River and the Pyandzha tributary, under conditions of a subtropical climate, the production of most valuable thin-fiber cotton is projected to be set up for the first time in Afghanistan. A state cotton farm will be created and fully equipped on two thousand hectares. The construction of two pumping stations on the Qonduz River to irrigate four thousand hectares of new land and the creation of state farms on it to cultivate 70,000 tons of sugar beets are envisaged. The technical and economic groundwork for the creation of two grain farms on land in the Sarde irrigation system has been developed.

The policy of expanding the social base of the revolution and nationwide reconciliation proclaimed by the NDPA Central Committee and the DRA government has introduced certain corrections into economic policy as well, first and foremost considerably raising the role of the private sector in the economy. Steps have been taken to encourage national entrepreneurs to expand investment, especially in the light and food industries. It is proposed thereby not only to improve the supply of prime-necessity goods to the population, but also to raise the proportion of enterprises with quick economic returns and to increase the number of jobs.

The share of the private sector in the GNP of Afghanistan is reaching 80 percent today, 20 percent in mill and plant industry (along with 50 percent in cottage industries), about 100 percent in agriculture, over 70 percent in transport and 40 percent in trade.

At the first Afghan Nationwide Conference on National Entrepreneurs, held on 19-20 April 1987 in Kabul, NDPA Central Committee General Secretary Najibullah proclaimed an economic strategy whose essence is the creation of a "new economic mechanism, and namely a mechanism of interconnected and mutually advantageous dynamic collaboration" of the state and private sectors, wherein the state sector takes on responsibility for ensuring "growth in the base sectors" and in that manner "does not monopolize the whole economy and does not limit the activity of the private sector."

A series of special legislation has been adopted of late to stimulate private industrial entrepreneurship. It includes the decree on releasing private enterprises being created from all types of taxation, duties for the export of their products, the preferential taxation of equipment and raw materials they import and the granting of state bank credit reckoned at no more than 10.6 percent interest a year for two to six years from the start of operations. A

standard charter for a joint company with the participation of the national state and the private sector, as well as attracting foreign capital (on the scale of no more than 49 percent) has been published as well. A law has been promulgated according to which all refugees returning from emigration will have their enterprises and other tangible assets returned completely to them, and in the event that they have been alienated, the payment of their full value.

There were no more than 144 private enterprises in the country with a total capitalization of a million afghanis, or 20 million dollars, before the April revolution. After the revolution, the Consultative Economic Council of the DRA government approved plans submitted by private investors for 339 enterprises with a capitalization of 1.7 million afghanis. They were granted preferential credit on the scale of about 42 billion afghanis. They are basically enterprises for the manufacture of shoes and leather goods, textiles, plastic domestic items, milk, dairy products, baking, sugar and slaughtering, as well as for the manufacture and repair of metal household items, implements, bicycles etc. The construction of 115 such enterprises was approved last year alone, which should provide work for up to 3,000 people. Another 170 orders were moreover issued whose realization, unfortunately, has encountered no small difficulty, chiefly associated with the establishment of an economic blockade of the DRA by the Western countries and their rejection of contracts concluded earlier, including with private Afghan entrepreneurs.

And here, as has always happened over the span of about 70 years, the Soviet Union has come to the aid of Afghanistan.

A delegation headed by DRA Minister F.H. Khaliqyar and including five Afghan entrepreneurs visited Moscow in February of 1987. A Soviet delegation also visited Kabul in April headed by GKES [State Committee for Foreign Economic Relations] Chairman K.F. Katushev. An agreement and a protocol were signed as result of negotiations on the specific forms and objectives of collaboration among Soviet organizations and the private sector in the DRA. The USSR is granting credit on the scale of 50 million rubles for this purpose, on which account machinery, equipment and materials, as well as paid services by Soviet specialists in the fulfillment of construction and installation work and the training of the essential national personnel, will be supplied. The payment of credit will be accomplished partially with the products of the future enterprises.

Work will be provided for several thousand people as a result, and the population will obtain additional consumer goods.

Direct trade ties between Soviet foreign-trade organizations and the private sector in Afghanistan have also been further developed and taken on new forms. Up to the present time some 111 DRA private trading firms

have exported goods to the USSR. In March of 1987 an agreement was signed to establish two joint Soviet-Afghan stock companies called "Aftorg" and "Aftento" with the participation of the Afghan side through the DRA Chamber of Commerce by both state and private firms. The initial capitalization of each company was set at 200 million afghanis: 60 percent invested by the Afghan side and 40 percent by the Soviets.

Favorable prospects are also being revealed as a result of the setting up of a mechanism for border trade of Afghan state and private firms with the trade organizations of the Soviet republics of Central Asia. The first fruitful exchange of delegations of interested organizations and firms of the Uzbek SSR and Afghanistan has already taken place. One also cannot fail to note the considerable expansion of Soviet-Afghan collaboration in recent years in the development of health care, education and the training of national key personnel for the DRA. The establishment of direct contacts among a whole series of Soviet republics and oblasts with the provinces of the DRA and close direct ties between the capitals of both states were quite new and promising forms of collaboration.

The successfully developing economic and trade ties between the Soviet Union and the other socialist states, on the one hand, and Afghanistan on the other have allowed them to overcome economic difficulties, develop the national economy and bring the tasks of national reconciliation to life.

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### **More Criticism, Less Dogmatism Needed in Third World Research**

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[Article by Doctor of Historical Sciences F. Shabshina under the rubric "Problems and Opinions": "The Novelty of the Tasks in Studying the Socialist Countries of Asia"]

[Text] We have met the anniversary of October in a special way this year. And not only because 70 years is an anniversary date, but chiefly due to the major revolutionary changes in our lives that are a continuation of it and that evoke widespread repercussions around the world.

V.I. Lenin, as is well known, regarded the international significance of the October Revolution in two interconnected aspects: in the widespread, incarnate influence of

its principal and many secondary features on all countries, and in the narrow one, meaning herein the international significance or historical inevitability of the incarnation of some features of the Russian revolution on an international scale.<sup>1</sup>

The social sciences, including such areas of them as researching the development processes of the socialist countries of Asia, are made somewhat more difficult in interpreting and developing these fundamental Leninist features. Many interesting works by Soviet scholars and Marxists of fraternal countries have been devoted to the significance of the effect of October on the fate of the peoples of the Orient that are proceeding along the path of socialism.<sup>2</sup>

This significance has grown with the victory of socialist revolutions in Asia and has acquired a new quality, namely the power of example of the eastern-most states of socialism, which has also been reflected in the social sciences. Of course, like their development process itself, this power of example is not a straight line, it does not always move straight upward. In the last quarter century, for a number of reasons, it is not as palpable on the surface as before. And individual researchers sometimes, without trying to penetrate into the heart of what has transpired, strive directly or indirectly to substantiate the theory of the "declining attractiveness" of the ideas and example of socialism for the peoples of the Orient.

Experience makes it impossible to agree with this theory. It testifies to the fact that despite many mistakes and errors that have been committed on the path to socialism and in the course of its construction in some Oriental countries, the very creation of a socialist zone in foreign Asia continues to have enormous revolutionizing influence, especially on the peoples of the Orient. And it is important that the social sciences do comprehensive research on the new facets, the profound sources of this influence, and uncover the decisive advantages implicit in the socialist development path. It is also essential herein, naturally, to discover the causes that are slowing the realization of these advantages and causing negative phenomena that could reduce the degree of attractiveness of socialism.

It seems that we should have a fuller regard than has been the case thus far in the methodological approaches to this problem for the whole complexity of the emergence of a communist formation in the countries under consideration, remembering that feudalism took shape over millennia, capitalism over centuries and socialism in only 70 years, and about 40 in the foreign Orient. And after all, a new formation is being created there, wholly or partially bypassing the preceding one. It is natural that "birth pangs" and "growing pains" are plentiful, and sometimes the errors and losses are dramatic. This is of course an explanation, and not a justification, of negative phenomena in the revolutionary development of the peoples of the Orient. And sometimes academics, as well as everyday awareness, does not take into account the

fact that, generally speaking, there are two basic criteria that determine the results of development in the countries under consideration: a) what could be achieved, what their formational organisms could become, had there not been these ailments or mistakes, and b) what the countries earlier enslaved and tormented by imperialism were like and what they became on the path of socialism. The second criterion makes it possible to state unequivocally the irresistibility and stability of the international significance of the Asian socialist zone, the creation of which, thanks to the powerful revolutionary onslaught of the oppressed peoples, became possible after October and is a direct continuation of it.

This cannot and should not screen a sober and objective analysis of the path traversed by the peoples of this zone and a summarization by academics of all of its complex and frequently sharp turns. These problems are associated with the international significance of October in the narrow sense. They concern, if one applies Leninist tenets to the subsequent development of the Oriental countries of socialism, manifestations of common general laws of socialist construction there that were first verified in the country of the soviets. It is essential to comprehend an unchanging Leninist requirement herein—to develop these general laws based on new social experience, creatively applying them to concrete local conditions, as well as to take into account Leninist warnings against dogmatism, stereotyping and oversimplification. It is namely in this direction, it seems to me, that the answer to the question of what could be achieved by this or that of the countries under consideration had errors been avoided, how much more quickly they could have advanced, augmented by the power of example, must be sought.

Can the social sciences respond to these questions? It seems that they can answer them intensively on an area-studies plane. An enormous literature has been created on China, and there exist many serious monographs on various aspects of Mongolian, Korean and Vietnamese area studies. The study of the contemporary history of Laos and Kampuchea has begun. Works that theoretically interpret the experience of socialism in Asia overall, its specific overall nature, are quite isolated. They are devoted to the process of manifesting such general laws there as proletarian internationalism, the union of the working class and the peasantry (at the first, common democratic stage) and a summarization of the experiences of economic development. All of this is just the beginning.

The theoretical summarization of the problems of development for the earlier backward countries of Asia is still a lagging area in general. The extant situation is associated to a considerable extent with the fact that basic social sciences and theoretical works on political economy, philosophy and scientific communism either underestimate, fail to take into account or do not include in the fabric of their research the great and interesting experience accumulated by the socialist countries of

Asia. Like monographic research on the theory of socialism, these works rely on the enormous experience of the USSR, as well as the Eastern European countries. Asian practices are not an organic component of them.

Of course, this is not Eurocentrism, but rather a departure from arch-complex and, chiefly, new issues that do not fit established schemes, and it is, in my opinion, a direct tribute to dogmatism. But such positions in academics are nourished by nationalism and conceptions of modeling socialism that seemingly put the development of the Asian socialist states outside the brackets of the general principles and laws of its construction. Something else is also apparent: the "circumvention" of the experience of these states in theoretical summarizations diminishes them, reduces their academic potential and impedes the obligatory "reciprocal link" with which aggregate social experience nourishes theory and academic thought, develops the social sciences and gives to practice ideas and methodology for resolving urgent tasks along with strategic and tactical reference points.

The situation extant in the social sciences does not assist the scholars of the fraternal countries of the Orient in making creative rather than mechanical use of the experience of the leading socialist states, and can engender a tendency toward rushing ahead and making use of clichés or, as an answering reaction, enhanced stress on the universality of one's own national experience. Can the science of socialism develop at all without a regard for the social practices of a third of the socialist world, where about one fifth of all of mankind lives? And is it possible, operating without the whole aggregate, the whole wealth of the creativity of the masses in the socialist world, to see it overall, in all of its complex and contradictory nature, evaluate its achievements, uncover and anticipate mistakes and forecast its further development?

An underestimation of the problem under consideration by the social sciences, in other words, is abnormal in both theoretical and practical regards. Its also slows the independent comprehensive and interdisciplinary researching of such long-ripe questions as the emergence of a communist formation in countries that are proceeding along a non-capitalist development path, which would signify the development of Leninist tenets on non-capitalist development. As has already been stated, many area-studies and some general works are devoted to socialist construction in the states of the foreign Orient. This is still, however, no more than a link in the overall chain of a unified concept, and they are also not devoid of many shortcomings characteristic of the social sciences in general. It would at the same time be incorrect to accuse all social scientists of this.

Certain practices have taken root: one can write only from a certain angle about a fraternal country, in this case an Oriental one, frequently reflecting in a hypertrophied form the positive traits of its development, repeating treatments of its historiography. Fears are expressed

that if one touches on sore spots and unresolved problems, on some of the mistakes of our friends, in objective fashion, it could evoke a negative reaction and inflict harm on them. It seems that such a postulation of the question is incorrect at its root. It not only violates democratism in academics, but is fundamentally erroneous as well.

The study of socialism and its incarnation, after all, is international in essence and nature. It can and should be developed on the basis of practice, by the internationalist efforts of Marxist-Leninists of various countries and their collective reason. For this, however, established practices must be broken, the social sciences must be democratized and "forbidden zones" must be opened up where the scholar supposedly cannot and should not intrude. He must be given the right to his own opinion, to debate, without fearing that there is a fine line between the social sciences and politics. After all, this debate is waged on the common platform of Marxism-Leninism between class brothers in the name of common goals. It seems important in this regard to alter the prevailing practice wherein the statements of a researcher on any issue in the development of the fraternal countries are perceived to be a reflection of official viewpoints.

In the realm under consideration, as in other spheres of the social sciences, the necessity of changing moral and psychological working conditions and a restructuring and "emancipation" of academic thought has become acute. The main and, evidently, paramount thing is that it cease to refrain from critical evaluations of the shortcomings, mistakes and quests on unresolved questions of our friends, to the same extent that we do not refrain today from writing about our own problems.

Two most important factors—a comprehensive and all-round regard by basic social sciences for the experiences of the socialist countries of Asia in integrating the efforts of theoreticians and area-studies scholars, as well as the democratization of this realm of academics—can open up the way to fruitful academic inquiry and the surmounting of dogmatism.

One cannot remain silent on the discussions on the issues we are considering in this regard. They are quite rare in the press. The careful organization of genuinely scientific and creative debate is an urgent task.

In shifting to the question of the key directions of research in the Asian socialist region for the foreseeable future, some methodological approaches that require more clarity should be designated. They are first and foremost a regard for the extensive and multivariated specific nature of the emergence and construction of a new society there, which is connected with a whole series of factors. Among them are the overall low, albeit

non-equal, starting levels of development of the countries. Mongolia has thus completely bypassed the capitalist stage; in North Korea, China and Vietnam, capitalism was comparatively developed. Laos and Kampuchea bypassed not only the capitalist stage, but to a certain extent the feudal stage as well. Among the specific factors prevailing here must be cited the division of Korea and, earlier, of Vietnam. The experience of Vietnam—the unification of two different social systems—is unique and without analogy in history. The fact that the low point of departure for their development in the study of these countries, with an effect not only on their economies, but on all other spheres, and not just at the start, but in subsequent stages as well, is not always taken into account in methodological approaches.

It is especially necessary to single out the extremely unfavorable international conditions for the construction of socialism by the Asian states. Imperialism, having lost them for itself, has unleashed an intensive offensive against them in various spheres: the wars in Korea and Indochina; political and ideological sabotage; these or those forms of economic blockades, etc. Imperialism is also making use of their pre-socialist past and the complex history of relations among nationalities and ethnic groups remaining as the legacy of tradition and whose power was strong in the Orient. It must be acknowledged that the vitality of traditions, including reactionary ones, that are aggravating the real contradictions of building socialism in the Asian countries is not sufficiently taken into account in our works. Their formational development before entry onto the socialist path of development and their revolutionary process in the colonial (semi-colonial) period are poorly linked with modern times.

A most important methodological and theoretical task is a regard for and profound research on the communist movement. The contemporary history of the Asian socialist region cannot be studied in historical, interconnected and comprehensive fashion without this. This is also important for the theory of socialism, for the basic social sciences and for the practice of the fraternal countries and the developing world, especially the socialist-oriented countries, where the Marxist-Leninist vanguard is taking shape. The discussion, after all, concerns socialist states in which the communist movement has ultimately been victorious. It is naturally important to know and take into account its lessons and the whole complexity of the path of the communists to the leadership of society.

Other methodological reference points are also in need of elaboration in researching the countries under consideration, chief among which is the fact that more emphasis must be placed on actual experience with all of its specific nature and dialectically contradictory nature.

What questions are most topical in the channel of the overall academic direction that could be typified in the following manner: "The dynamics of the emergence of a

communist formation in countries that have bypassed or materially abbreviated the capitalist stage of development?"

It seems that one of them is an analysis of the correlation of the internal and external and the subjective and objective factors of the transition of these countries onto the path of socialism and a description of the revolutions that were victorious there, which is important in practice for the developing countries. There is not a word in the extensive and interesting academic literature devoted to the processes transpiring in that world. The theoretical and political significance of the tenet discovered and formulated by Marxist thought on socialist-oriented countries, making it possible to distinguish orientation from reality and assisting in the development of the basic features of non-capitalist development for the backward countries and the growth of orientation into reality, is undisputed. But it is necessary to note once again that the basic social sciences nonetheless have insufficient regard for this extant result of academic inquiry. If these issues are touched on at all in general theoretical works, then it is just in passing, and sometimes with major mistakes.

The types and appearances of revolution, its forms and essence, are not limited. As is well known, in the foreign Orient it is only popular-democratic revolutions that have as yet led to a real transition onto the path of socialism. The former contradictory and speculative evaluations of them have now taken flesh. There is actual experience that makes it possible to determine their substance, stages and intermediate links. The theory of socialism, however, does not research these questions specifically. As for the methodological and theoretical distortions of them that are encountered in general social-science works, the evaluation of the revolution in Laos and the contemporary stage it is undergoing can serve as an illustration. Relegating Laos to the countries of the socialist community, asserting that the foundations of socialism are being built there and ignoring the inevitability of the general democratic stage, some authors (this is also included in the documentation) are describing the victorious revolution there as a national-liberation one, and not as a socialist-type one (a popular-democratic one). This clear disregard for reality is also, in my opinion, a clear methodological distortion.

It should be acknowledged that the treatment of the problems of socialist orientation in Asia and Africa and the socialist realities in the Asian region are also insufficiently interconnected and joined together. This especially concerns the general democratic stage. The practices that have been summarized in many works of area-studies scholars on the problematic research on socialism in foreign Asia also testify to the fact that there are a number of transitional stages between the victory of the popular-democratic revolution and the beginning of the immediate construction of socialism, in the aggregate forming the general democratic stage. They differ in different countries of the Orient in duration, the priority

of the tasks being resolved and other traits of an internal nature along with the international conditions. But this is a general law for the countries of Asia, embodying their specific overall nature.

Such issues as the specific features of the revolutionary situation in poorly developed countries and the forms and spheres of assistance for them on the part of the more developed countries of socialism in resolving the paramount tasks of the transformation of society, as well as the strategy and tactics of the ruling parties in the general democratic stage of revolution, also require further analysis and inclusion in basic social sciences.

An independent and major realm of research on the Asian socialist states is the dialectic of the general and the specifically national in the transitional period—at the stage of building the foundations of socialism. The majority of the states under consideration are either resolving the tasks of this period or approaching their resolution.

Social practices have testified, and this is reflected in a series of works by contemporary Oriental scholars, that notwithstanding the quite significant specific nature of the indicated countries, the construction of socialism there transpires on the basis of common general laws. The theory that is sometimes encountered in academic literature on the varying qualities of the general laws of socialism in Europe and in Asia is unfounded. Life refutes it, testifying to the primacy of the general over the specific. At the same time, it also says that an insufficient regard for the specific features and uniqueness of the transitional period of this or that country (in this case an Asian socialist one) is detrimental not only to theory, but to practice as well, fostering a rushing forward and the bypassing of compulsory, "intermediate" transitional links within the transitional stage, and stimulates an orientation toward the experience of more developed socialist states and the mechanical copying of it. The dogmatism and the copying of stereotypes in the social sciences, so harshly condemned by our party, has an extremely palpable effect in treatments of the transitional period. Very few works at all have been devoted to it in the last two decades.

Among the major problems requiring treatment and lying in the key direction of the political economy of socialism should be included the dialectics and interconnection of productive forces and industrial relations. Social practices in the states under consideration have had their say on this issue. They have begun to testify to the inevitability of a temporary lag of productive forces behind industrial relations at the initial stages there. Oriental scholars and economists, summarizing existing practices, have concluded that this is a common general feature for countries with an undeveloped economy and that it is also characteristic of this phase of development, when growth in productive forces transpires at the base of socialist industrial relations.

Some specialists do not agree with this conclusion. The need for discussion has clearly become acute.

One key realm of study on the problem of the interrelationships of productive forces and industrial relations under the conditions of the Asian socialist zone is the participation of the countries in it in various forms of integration. Profound research on this issue is essential for theoretical conclusions. It proceeds directly into practice, facilitating the appearance of the most optimal versions of economic and scientific and technical assistance for the backward countries, its efficient utilization and a quest for ways of intensifying their own contribution to socialist integration.

Elaborations are awaited on the problem of creating the material and technical base of socialism, legal and actual collectivization, surmounting multi-institutionality, the development of cooperative forms and simple cooperation in agrarian policy. Political economy is summoned to fertilize the new experience accumulated in this realm with ideas and academic points of reference.

Other material issues, especially the basis and the superstructure and politics and economics under the conditions of the foreign socialist Orient, have become acute and are in need of summarization.

Social sciences are also indebted to theory and practice in such a complex area as contradictions in the development of socialism. The common distortions characteristic of the treatment of the actual contradictions of socialism have had an extremely appreciable effect on the study of the socialist countries of Asia. It has simply not been accepted to write about the contradictions. And the most difficult path from pre-capitalist relations to socialism, as well as its construction in subsequent stages, looked smooth and serene. The question of contradictions as the source of development has been skirted. It is now being posed in social-science works, but still too abstractly, without a proper regard for the specific nature of the Asian socialist region and without strictly following a historical approach and elaborating on the the various categories.

As has already been stated, the majority of the socialist countries of Asia are undergoing a transitional period, where class contradictions are also being surmounted. The question of them has especially come up. But one can hardly close one's eyes to the outbursts of difficult situations in certain socialist countries of Asia that cannot be called objective or non-antagonistic contradictions. Academics are called upon to uncover their origins and causes. Not simply sometimes to distinguish such a contradiction from mistakes caused by inquiry on the difficult and unprecedented path. One cannot agree with the theory that is sometimes expressed on some sort of fatality of such negative phenomena associated with the uniqueness of the Orient as voluntarism, personality cult, barracks-room leadership methods, dependent tendencies or nationalism. It is another matter that the

specific nature of the Asian countries can stimulate them. There, as in the whole socialist world, there is a struggle underway within the new formation with the old, and there are turning points, revolutionary in the scope and the radical nature of the change. It is also important to research them, distinguishing these phenomena from antagonisms characteristic not of socialism but rather of digressions from its principles.

The experience of the socialist Orient testifies to the fact that the nature of the contradictions arising there is often associated with the state of the subjective factor, the problem of the person and his social consciousness, burdened with remnants of the past, including reactionary traditionalism. In this realm, social thought has lagged especially far behind the urgent requirements of the times, which dictate the necessity of a comprehensive treatment of the problem: socialism, the human factor and tradition under the conditions of Asia.

Also important and topical is an anatomy of religious, national, psychological and other traditions. The social sciences have thus far skirted the problems of the national nature of the peoples of these countries, especially those features of it that are associated with the colonial or semi-colonial past. The problem of the effect of traditions on the vitality and stability of nationalism is deserving of especial attention by scholars.

Although the transitional period in the development of the Asian socialist countries is a most important aspect of research today, it seems essential that theoreticians and area-studies scholars, looking ahead, begin a special study of issues concerning the stages and intermediate links in their development after the building of the foundations of socialism there and the criteria for the transition to creating a developed socialist society. The experience of Mongolia in particular, typified by the fact that after the resolution of the tasks of the transitional period, a prolonged and multistage phase of construction of the material and technical base, improvements in industrial relations and the formation of other preconditions for the construction of a mature socialist society proved inevitable, merits comprehensive analysis in this regard. These questions are important in devising a strategy for the further consistent development of the fraternal socialist countries of Asia and the theory of socialism. Researching them is an internationalist task.

An independent sphere that is extremely topical and requires new approaches on the part of social-science scholars is the foreign policy of the socialist countries of Asia, bringing in such issues as further raising their role as the subject of international relations and the principles, forms and realms for their contact with various groups of developing countries and capitalist countries. Naturally, an especial place belongs to their role in the socialist world. "The world of socialism," M.S. Gorbachev emphasized in a speech on the occasion of the 70th anniversary of Great October, "appears before us today in all of its national and social diversity. And this is good

and useful. We are convinced that unity does not signify identicalness and uniformity everywhere. We are also convinced that socialism does not and cannot have any 'model' to which all is equated."

The organic inclusion of the whole diversity of experience of the Asian socialist states in the basic social sciences requires the application of comparative analysis and the broad integration of the activity of theoreticians and area-studies scholars from the institutes of the USSR Academy of Sciences and higher educational institutions along with specialists of the fraternal countries. Only on the path of such an integration is the creation of the fundamental theoretical works that meet the lofty requirements of our time and that are needed by practice, revealing the unfoundedness of the concepts of our ideological adversaries, possible.

#### Footnotes

1. See: V.I. Lenin. Complete Collected Works, VI. 41, p 3.
2. Many of the issues cited above are reflected in monographs on the socialist countries of Asia and in works summarizing their experiences. Without having the opportunity of citing even the most significant of them in this instance, we note just the collective international monograph "Proletarian Internationalism and the Development of the Socialist Countries of Asia" (Moscow, 1983), created by scholars from seven fraternal countries and posing a series of theoretical problems, and the collective monographs "Experiences in Building a Socialist Economy in the Countries of Asia" (Moscow, 1987) and "Economic Problems of the Transition to Socialism of Countries with Undeveloped Economies" (Moscow, 1986). It is also essential to single out the intensive and profoundly creative treatments of the untimely deceased A.G. Budanov on the Vietnamese revolution, the significance of which goes beyond the bounds of area studies.

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#### Cambodian Foreign Minister on Policy of Reconciliation

18070056f Moscow AZIYA I AFRIKA SEGODNYA in Russian No 12, Dec 87 pp 32-33

[Interview by AZIYA I AFRIKA SEGODNYA correspondent Anatoliy Mirov with People's Republic of Kampuchea [PRK] Minister of Foreign Affairs Kong Kom under the rubric "Our Interviews": "Kampuchea—The Path Toward Reconciliation"]

[Text] During his recent visit to the Soviet Union, the minister of foreign affairs for the People's Republic of Kampuchea, Kong Kom, appeared at a press conference

*for Soviet and foreign journalists at the USSR MID [Ministry of Foreign Affairs] press center. We offer a record of this appearance made by AZIYA I AFRIKA SEGODNYA correspondent Anatoliy Mirov.*

The international community well knows what burdens our people have suffered and what crimes were committed against it. At the same time, over the period of existence of the PRK, appreciable progress has been made which has facilitated the renaissance of the country and its reinforcement.

Since the successful waging of the military campaign during the dry season of 1984/85, when all of the enemy bases on the Kampuchean-Thai border were eliminated, the forces hostile to the republic have grown steadily weaker. Underground activity against the PRK today, accomplished from Thai territory, is tending toward decline both in scale and in the quantity of hostile actions. If one speaks of the reactionary elements operating outside the country, they are currently small bands that dare only petty acts of terrorism and are basically engaged in plundering. They avoid encounters not only with our regular troops, but with the self-defense forces in the villages and volosts as well, any way they can. I can state with complete authority that in the military realm the enemy has suffered a complete strategic defeat and that he will never be able to turn the course of events in his favor.

Disarray is also being observed in our adversaries' camp. Sihanouk has recently declared that the followers of Pol Pot are attacking his detachments. A struggle is blazing for power and posts in each of the three groupings that are included in the so-called "coalition government."

The situation in Kampuchea is nonetheless not stable, and there is still not peace in our land. Reaction has not refrained from dark designs and is doing everything to see that the Kampuchean people are deprived of their revolutionary conquests. It continues to wage its underground activity against the republic, as well as against fraternal Vietnam and Laos. The ASEAN countries are in positions of confrontation with the states of Indochina, which contradicts the interests of the peoples populating Southeast Asia. The Khmer reactionaries, the majority of whom are followers of Pol Pot, are continuing to receive aid from forces hostile to us and to use Thai territory to wage an undeclared war against our country whose aim is to undermine the process of national renaissance and to restore the Pol Pot regime. Our people, however, will never permit the return to power of the Pol Pot clique.

The dogged struggle of Kampuchea, Vietnam and Laos against the intrigues of the forces of imperialism and reaction has gone on for almost nine years. Our enemies want to unite reactionaries of every stripe, and they are trying to achieve their goals in that manner. In giving determined repulse to its foes, the People's Republic of Kampuchea is at the same time consistently in favor of a

political settlement of all conflicts in the region and for peaceful negotiations on a just foundation with the principles of respect for the right of the Kampuchean people to self-determination and with a regard for the realities of the prevailing situation, under which the legal government of the PRK completely controls all of the territory of the country.

A series of constructive and peace-loving initiatives that have received widespread support from the progressive world community has been advanced by Kampuchea along with fraternal Vietnam and Laos. A gradual withdrawal of Vietnamese volunteers from Kampuchea was begun in 1982, and an agreement on their full withdrawal by 1990 has been reached.

The free will of the PRK, Vietnam and Laos was demonstrated once again at the conference of the foreign ministers of these countries that was held on July 29 of this year in Ho Chi Minh city. A resolution was adopted there that Vietnam, in the name of the three countries of Indochina, would hold negotiations with Indonesia, representing the ASEAN countries, to settle the Kampuchean problem and establish peace and stability in Southeast Asia. The realization of this initiative would be a very important step on the path toward a normalization of the extant situation and would create preconditions for further forward movement.

Unfortunately, the declaration of the Bangkok conference of the foreign ministers of the ASEAN countries of August 16 was a deviation from the agreement reached between Vietnam, acting on behalf of the states of Indochina, and Indonesia, acting in the name of ASEAN. It again mentions provisions from the eight points of the so-called "coalition government" that was long ago repudiated by Kampuchea, Vietnam and Laos and is considered by world public opinion to be a subterfuge to restore the Pol Pot regime.

Guided by a feeling of responsibility for the fate of the Kampuchean people, the PRK government proclaimed a policy of national reconciliation on August 27. It proposes uniting all Kampucheans in a monolithic bloc outside dependence on their past, class and ethnic affiliations or ideological and religious convictions. The Kampuchean powers have declared their readiness to begin negotiations with all Khmer groupings and their leaders with the exception of Pol Pot and his closest compatriots. A promise has been made to grant full civil rights to those victims of hostile propaganda that fled the country and help them start a new life, grant them the right to vote and be elected along with the opportunity to rejoin their families and find work.

The policy of national reconciliation is a policy of true union of all patriots of Kampuchea for the purpose of the joint building of a progressive and just society with equal rights. It is aimed at ensuring a peaceful future for our people in the interests of advancing further along the

path of economic and social development and at eliminating any possibility of the return to the country of individuals that have stained themselves with crimes against the people or the policy of genocide.

This is not a tactical move, but a true policy intended for the long-term future.

The policy of national reconciliation in Kampuchea and the participation of the PRK in the process of turning Southeast Asia into a zone of peace, stability and collaboration is a constituent element of the efforts of all socialist countries, and first and foremost the Soviet Union, in the creation of an all-encompassing system of international security. We proceed from the fact that we have a common purpose with the socialist countries—peace and socialism.

Why was the policy of national reconciliation proclaimed this year and not earlier? It must be said that after liberation from the genocidal regime in 1979, our government has consistently advanced various initiatives aimed at national reconciliation. They were, for example, the steps to create a unified front, the document regarding the attitude toward the intelligentsia, the humanitarian attitude toward refugees, our declaration of readiness for contacts with certain individuals or groups in the quest for solutions to the Kampuchean problem and others. We have thus offered proposals in past years as well that facilitated the fact that many Kampucheans have become aware of the humanitarian and just nature of our policies and have returned to their homeland. A new situation has taken shape of late that has permitted us to advance a broader program based on the platform of national reconciliation.

Despite the fabrications of hostile propaganda, the Socialist Republic of Vietnam has completely supported and welcomed our policy of national reconciliation. If Vietnam is an obstacle, as some assert, then it is an obstacle just on the path of the forces of foreign aggression. The fact that there have already been five partial withdrawals of Vietnamese troops from the PRK testifies to the unselfish nature of its presence in Kampuchea.

Some assert that the presence of Vietnamese volunteers in Kampuchea is an obstacle to the normalization of relations between the PRC and the USSR. We do not agree with such viewpoints. After all, Vietnam and Kampuchea have over the course of many years fought against common enemies, and they have a rich tradition of mutual assistance. Thus, even as early as during the liberation struggle of the Kampuchean people against the French colonizers, the Vietnamese armed forces rendered support to them. The same thing took place during our fight against American imperialism, when Vietnamese troops were deployed on Kampuchean territory. China at that time supported the presence of Vietnamese armed contingents in Kampuchea, and that fact was no impediment to the relations of the PRC with other countries.

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### Theory of 'Islamic Economy', Its Practice in Pakistan Hit

18070056g Moscow AZIYA I AFRIKA SEGODNYA in Russian No 12, Dec 87 pp 38-40

[Article by Doctor of Historical Sciences A. Ionova under the rubric "The Economist's Rostrum": "The Illusions of 'Islamic Economics'"]

[Excerpts] In the late 1960s and early 1970s, speeches by those who linked the development of the liberated countries where Islam was most widespread with a reliance on the definitive tenets of that religion and its "economic values" became noticeably more frequent in the Muslim circles of a number of Afro-Asian states. They turned in their speeches to the stipulations of the Shari'a in particular: religious taxes and charity (*zakat*, *ushra* etc.), the ban on loan interest and other "interest" (*riba*) and principles of inheritance according to a scale of kinship and not the will of the testator. All of this was presented as a form of pledge of a "healthy" economy based on "Muslim justice, fraternity and solidarity."

To the extent of the transition of the liberated countries to the solution of their economic problems, Islamic theoreticians tried to strengthen their positions, supplementing the "economic values of Islam" with borrowings from Western European and American bourgeois and petty-bourgeois studies. Certain radicals also appealed to these or those tenets of Marxist political economy and the experience of socialist construction. The call to build an "Islamic economy" was most often combined with ideas of entering onto some "third path" of development based on combining the "best" features of capitalism (first of all private initiative and enterprise) and socialism (here having in mind first and foremost collectivism).

"Anti-Western" views, however, came to be manifested more and more clearly in the economic concepts of the theoreticians of Islam. These were partly their reaction to mistakes in development strategy in the overwhelming majority of the liberated states, which had blindly copied the experience of the industrially developed countries without proper regard for their own resources and capabilities. Especially significant slumps were observed in the economies of those countries where right-wing regimes were in power that were following the neocolonialist course of the accelerated dissemination of capitalism. At the same time, Islamic theoreticians rushed to respond to the conversion of the majority of Afro-Asian scholars and ideologists to the development of a new development strategy. Discarding the research

on the mechanism of the interconnection of backwardness and dependence of the young states and their colonial exploitation in the past and neocolonialist in the present, the social thought of Asia and Africa came to assign more importance to seeking internal reserves for uplifting the national economy, including with a regard for the specific local nature and originality.

Enhancing the role of religious tradition in the life of like believers and everywhere exaggerating the unique nature of the "world of Islam," Muslim theoreticians have inveighed ceaselessly for the "Islamic path" for resolving all economic and other problems without exception. Their views began to be more and more widely disseminated. The study of "Islamic economics" entered the curricula of many Muslim higher learning institutions, including al-Azhar University in Cairo, universities in Lahore and Karachi (Pakistan), Bandung University (Indonesia) etc. Moreover, the question of the "Islamization" of the economies of individual countries was linked more and more often to the organization of a so-called "new Islamic international economic order." The problems of establishing it were discussed not only by Muslim theologians, but by economists from the developing and industrial states of the West as well. The first International Conference on Islamic Economics was held in Mecca in 1976, while the International Institute for Islamic Finance and Economics was founded in 1981. Scholars and entrepreneurs, advocates of the concept of "Islamic economics," began to take part in the congresses convened by American and Western European academic centers to discuss the problems of contemporary production, regulating labor relations etc. Finally, a number of countries (Egypt under Sadat, Pakistan today, post-shah Iran, the Arab monarchies etc.) declared the creation of an "Islamic economic system" by putting into effect Shari'a norms of taxation, credit, "business partnership," inheritance and the ownership and disposal of property, as well as bans on "interest" (loan interest, speculative machinations and the like).

But neither assistance for the development of Muslim economic problems from without nor their coordination within the framework of the "world of Islam" at the country and international levels could shake the theories being created, as well as the Islamicizing reforms going back to them, of a critical attitude toward them by a number of researchers and commentators in Asia and Africa, first and foremost Indians, Pakistanis and Iranians. Especially noteworthy were the speeches of emigres from the countries that were subjected to "Islamization." As a rule, living in emigration, they were opposed to the regimes ruling in the motherland. To this or that extent they expressed the sentiments of their countrymen, including Muslims, that did not support the idea of the "Islamization of the economy." These views frequently bore the stamp of the influence of Western European and American leftist-radical concepts, the authors of which tied the fate of national-democratic transformations in the liberated countries with the

removal of the latter from the world capitalist system. Only by making all spheres of the life of the young state autonomous did they see the opportunity of ridding them of neocolonialism, imperialist exploitation and the various types of evils and calamities of capitalist development in its peripheral-dependent variation.

In some of their positions, such speeches coincide with the Marxist evaluation of "Islamic economics." Indians G.S. Raykhaudri and K.L. Setkh have thus directed attention toward the academic unfoundedness and incompetence of any efforts to solve contemporary economic problems from a religious point of view. At the same time, they made a reservation concerning the possibility of nationalistic treatments of religious prescriptions, including Islamic ones, for the purpose of propagating "economic dynamism," "the limitation of non-productive spending at the individual level" etc. Indian commentator M. Kamatkh sees in the Pakistani method of "the Islamization of the economy" a means of legalizing exploitative relations within the framework of a "feudal-capitalist mode of production" supported by "international monopoly capital." The contemporary treatment of Muslim concepts of economic development, emphasizes Indian commentator A. Ali, obtains its impetus from a "search for an Islamic alternative" to the successful construction of socialism against a background of a weakening of the capitalist system. Detecting a unity in the advance to the forefront of "the relation of man to God," the adherents of the "economic philosophy of Islam" diverge on the choice of ways and means of economic construction and in determining its goals, priorities and directions. These differences reflect, in Ali's opinion, the social differentiation of contemporary society and the differing attitudes of its individual segments toward both capitalism and socialism.

Criticism of the Iranian experience of "Islamization of the economy" on the part of the Iranians themselves is still just limited basically to sorties against the so-called "Islamic" or "interest-free" banks. The fact that these banks are nothing more than a camouflage for capitalist enterprise was written about, for example, in one issue of the journal IMAM, published in London. Loan interest, it was noted there, is as indivisible from banking activity as sound is from music.

Criticism of the steps of the Zia ul-Haq regime in building an "Islamic economy" in Pakistan has been directed toward unmasking the demagoguery that surrounds these acts and revealing their anti-popular thrust and exploitative essence. "The process of Islamization of Pakistani society," writes sociologist and political scientist Z. Haq, "is in essence at once a process of feudalization and the development of capitalism, it being an appendage of international monopoly capital." Religion and the medieval stereotypes of world perception and thought associated with it, along with obscurantism and the anti-democratic and anti-popular reactionary tactics, have come into circulation in order to overshadow the

real social and economic problems of the poverty-stricken masses and to justify their being in conditions of hunger, poverty, unemployment and illiteracy. The fact that the ruling circles rely on religious principles that have already been affirmed nationwide is hindering social progress. And not only because the authorities are raising the shield of medieval tradition that hinders forward motion: the strengthening of attachment to this tradition goes hand in hand with subordinating society to the 'control of the upper classes.'" Such a use of religion allows the military regime and the bourgeoisie, landowners and bureaucrats supporting it, to disguise "manifestations of social conflicts and disproportions in the economy."

And although the Shari'a stipulations regarding Islamic taxes (including *zakat*) and "business partnership" and the ban on loan interest have been officially legalized, their realization has nothing in common with early Islamic practice, being quite far from the declared "Muslim brotherhood, equality, solidarity" etc. At the same time, stresses Haq, such an "Islamization" inevitably brings new difficulties to the ruling regime. The more mature capitalist relations are in the country, the more obvious is the lack of correspondence of official ideology, feudal in its origins and reactionary and anti-academic in its essence, to the tasks of development of a socio-economic structure based on an industrial foundation. The ruinous nature of the government policies aimed at depriving the people of the opportunity of taking part in resolving social tasks, including those who are connected with the distribution of national wealth, will make itself fully felt with time.

In the opinion of another Pakistani commentator and researcher, H.N. Ghardezi, the current Pakistani president "is making use of Islam to legalize authoritarian military rule." And the fact that it is being officially declared as a "renaissance" of this religion "has little in common with any real renaissance of Muslim values." If there are some shifts in the life of Pakistanis thereby, they are in no way in favor of the working masses. The ban on loan interest has no particular significance for the workers and peasants, at the very least because they have no bank deposits. The putting of Shari'a norms of criminal punishment into practice turns out to be used chiefly against the poor. It is they who are the principal object of the employment of punishments for crimes classified as violations of "Muslim ethics and morals." Until domestic reaction forms a bloc with foreign reaction, writes Ghardezi, there can be no discussion of the authorities conducting policies in the interest of the people. It is namely such an alliance that has taken shape today in many parts of the "Islamic world," including not only Pakistan, but Turkey and other countries whose leaders have entered into "client relations" with imperialism. According to the conclusion of Ghardezi, one of the chief impediments on the path of progress for many liberated countries is the "economic rule and political control" that is foisted on them by the developed capitalist states.

The opinion that there cannot be any discussion of restoring the practices of economic operation on the basis of the stipulations of early Islam is also shared by Pakistani S. Kureshi. He sees the tragedy of his country first and foremost as the fact that Islam is being utilized there by forces that have put this religion at the service of "narrow and limited personal interests." Ever since President Zia ul-Haq began to come forward in the role of "protector of the faith," official propaganda has come to equate opposition positions with anti-Islamic, anti-Pakistani and anti-popular ones. That which was done by the regime in the realm of the "Islamization of the economy" corresponds to the greatest extent to the aspirations and requirements of just one of the Muslim segments in the country, in the name of which came forward basically Maududi and his followers. Among these measures were the legalization of taxes similar to the *zakat*, the conversion of the banks to an "interest-free" basis and, finally, constitutional guarantees that private enterprises will not be nationalized without the payment of compensation and without circumstances justifying the nationalization itself. Far from all of these measures were supported by the Muslim population. The Shiites, for example, have doggedly opposed the imposition of taxes by government officials, feeling that only imams possessing both spiritual and secular power have the right to do that.

In the opinion of S. Kureshi, the economic reforms of Zia ul-Haq only brings on new burdens and additional deprivations for the majority of Pakistanis. The current state of the country's economy really makes it possible to speak of approaching "national bankruptcy." But this state of affairs does not impede representatives of the ruling circles from asserting, as is done, for example, by minister H. Akhmad, the regime's intention of building a society in which crime will be eliminated while social problems will be reduced to a minimum and the people will be in peace and agreement. The references to Islam that accompany such statements, writes Kureshi, only serve as a means to play up to the faithful masses, while the appeal to "Islamic values and morals" has primarily rhetorical significance.

It should be noted in conclusion that the statements that have been considered regarding contemporary Muslim economic concepts and experiences in bringing them to life as advertised by the ruling circles of a number of Afro-Asian countries as a "special" development path, an alternative to both the capitalist and the socialist ones, are not synonymous in the nature of their thrust and scope of the debate. Taken overall, they are deserving of undoubted attention, insofar as they contain provisions that are important for an understanding of the fact that the modern-day quest for "Islamic solutions" to problems of economic ascent is being conducted from different positions in the liberated countries. On one flank are the advocates of solving economic problems in the Afro-Asian world on a modern academic rather than religious basis; on the other are adherents of relying on religion in implementing economic and other transformations.

The ever more clearly outlined polarization of the two groups, distinguished by their attitude toward the worldwide confrontation between capitalism and socialism, and correspondingly toward the strategies and methods of development in the liberated states, do not always coincide with this demarcation line. The more consistent and profound the contemporary criticism of the theory and practice of "Islamic economics," the more fully the unfoundedness of any efforts to achieve successes in economic construction guided by religious stipulations is revealed. This criticism shows that the main direction for various types of Islamicizing acts remains that which meets the class interests and clan-corporate aspirations, and frequently the personal ambitions, of representatives of bourgeois, bourgeois-landowning and bourgeois-feudal circles.

Unmasking the hypocrisy of those for whom the appeal to Islam and slogans of "Muslim brotherhood, equality and solidarity" are just a means of disguising self-interest is exceptionally important for the political insight of the masses of the faithful. It was and remains the pledge of involvement of all segments of the working population, regardless of their attitudes toward religion, in the channel of the struggle of democratic forces for the effective realization of popular hopes and aspirations.

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**Book on Link Between Food Problem,  
Development Reviewed**

*18070056h Moscow AZIYA I AFRIKA SEGODNYA in  
Russian No 12, Dec 87 p 59*

[Review "Analysis of the Food Problem" by Doctor of Geographical Sciences V. Pulyarkin of book "Vostok: prodovolstviye i razvitiye" [The Orient: Food and Development]. Editor-in-chief V.G. Rastyannikov. Main Editorial Board for Oriental Literature of Nauka Publishing House, 1986, 344 pp]

[Text] The authors of this monograph have made an attempt to uncover the system of ties in the realm of the production, distribution and consumption of foodstuffs as an organic (and most vulnerable) part of social reproduction. This approach has proven to be quite fruitful. The authors' collective has done a complex analysis on many levels, using as its primary sources those cardinal socio-economic shifts that are transpiring in the modern world, especially in the developing countries. They have formulated this summary theory as a result: a fundamentally new aspect of the food problem as a worldwide one is inherent in the growing rift between changes in food requirements (transpiring under conditions of deepening social inequality) and the emergence of food production meeting the new requirements.

The book's authors feel that the causes for the food crisis in the developing countries are domestic structural disproportions in national systems of food supply. This has been reflected in the discrepancy between market supply and demand for the main food products. Only from this viewpoint is it possible to explain the growth in agricultural production, including per-capita, that has been noted in many of these countries along with the simultaneous worsening of their food situation. The factors bringing about such a situation were subjected to special consideration in the book. In my opinion, however, the decisive role of urbanization in this process has proven to be insufficiently emphasized.

Rich but contradictory material was presented by the Oriental scholars on the "green revolution" in regard to the differing opinions expressed on it in world literature. It is evaluated in quite restrained fashion in this book. It seems that the "green revolution" deserves more recognition, since at the macro level it has aided a number of states in the Orient, for example India and Pakistan, in raising grain harvests appreciably and, in my opinion, has shown convincingly that the potential resources of tropical cultivation have been far from fully realized.

At the same time, the intensification of agriculture in the Orient requires resolving a series of urgent economic tasks and putting into practice a whole set of measures for protecting the environment, for which the requisite scientific recommendations do not always exist. A balanced description of this problem would help the reader to recognize the difficulties that are arising in the functioning of the "nature—agricultural production" system that is being transformed under the specific conditions of the tropics.

An indispensable element of the book is the supplements. They not only include 53 statistical tables, but they also, most importantly, contain a diagram of a food-supply model for the developing countries developed by the authors' collective and a special section titled "A Look into the Future (A Brief Survey of Foreign Forecasts of the Food Situation in the Developing Countries)," the independent worth of which is indisputable. They could have enriched the basic chapters of the book. But the very relegation of this section to a supplement reflects the inquiring thrust of the collective research, which has regarded the extraordinary interpretation of the extensive and multi-level factual material of paramount importance.

Such a seminal work is not devoid of some shortcomings and disputable elements. I have mentioned this in part above. I would especially emphasize that the study of this issue has been done in practice at the level of a major region—the Orient—which does not have a well-defined territorial framework. The description of the food situation in various groups of countries was allotted to a single chapter, but it did not work out well. The typological principle proved to be poorly realized, while the choice of countries for specific analysis looks to be

largely random. One hardly needed to illuminate the food situation in Burma and Thailand, which have historically formed a unified group of rice exporters. On the other hand, the food problem was not uncovered in a single one of the Asian countries of the Near and Middle East. This is probably a task for the future, since one would like to see such successfully executed research continued on a new and more detailed geographical level and under conditions of the new round of history.

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## Self-Serving Character of Western Aid to Africa Alleged

18070066b Moscow AZIYA I AFRIKA SEGODNYA in Russian No 1, Jan 88 pp 12-15

[Article by Candidate of Economic Sciences G. Roshchin under the rubric "The Economist's Rostrum": "Africa—Foreign Financing and the Limits of Its Influence"]

[Excerpts] Africa, one of the least developed regions of the world in an economic sense, is today in need of considerable international assistance that really would facilitate the solution of important economic problems here and at the same time would not be a tool for neocolonialist exploitation. In evaluating the role of foreign financing in their economy, the liberated states impart paramount significance to its qualitative aspect. They bring to the forefront problems of the influence of foreign resources on the accumulation and development of productive forces, on balance-of-payments positions and the evolution of socio-economic structures, problems in the correspondence of prices and forms and the thrust of the aid toward the specific features and concrete needs of the individual countries.

The African states are attracting considerable amounts of state and private loan funds of the West as an additional component of their gross national accumulation. The role of foreign aid has grown manifold, and it not only supplements, but activates the internal sources

of productive accumulation (taking into account, naturally, its real potential in various countries) and ensures active involvement of national natural, financial and human resources in the process of reproduction.

Before the 1970s, views according to which aid was considered a most important control of the economic development of the young states prevailed in bourgeois economic science. Almost all Western models for the growth of the liberated countries, proceeding from the concept of "catch-up development," were based on assumptions that the growth rate of the GNP in these countries could be accelerated via an expansion of the influx of foreign capital, since the latter, it was felt, made up for the shortage of savings and foreign currency and automatically stimulated domestic saving and investment (the models of P. Rosenstein-Rodan, Kh. Chenery and A. Straut among others). A standard assumption therein was the unchanging nature of the "capital-products" factor, prices and foreign-exchange rates.

The authors of the indicated models abstracted the receipt of capital aid by the developing countries from many real conditions: the inadequate nature of the volume of it, its correspondence to the thrust of the interests of donors and investors etc. Also not taken into account were the circumstances that a considerable portion of the influx of foreign capital was used not to increase investment, but for growth in consumption in the recipient countries, and that foreign capital frequently causes the decapitalization of the national economy as a consequence of the reciprocal outflow of funds in the form of interest, dividends and profits on investments.

In the 1970s, under the influence of the disappointing results of foreign "development aid" that had been rendered over the course of 20 years, a departure from the customary analysis was revealed in Western literature. K. Griffin, J. Enos, T. Weiskopf, G. Papanek, M. Seiber and many other specialists subjected the existing systems of "aid" to well-founded criticism, declaring that they were not only not facilitating economic growth but were, on the contrary, frequently restraining it. These authors did not agree with the traditional assumption that every dollar of foreign resources leads to growth in investments or imports in an equal proportion. The "aid," they pointed out, was addressed in greater portion not to capital investment but to increasing the consumption fund and other purposes not associated with accumulation, which ultimately leads to an increase in subsequent needs for foreign capital. They cite evaluations testifying to the fact that about a third of the official "development aid" is used to cover budget and balance-of-payments deficits, food imports, the refinancing of foreign debts and the like.

The policy of Western "aid" is largely predetermined by the global tasks that imperialism charges it with—serving not so much the progress of the developing countries

as the interests of monopolistic circles, reinforcing capitalist relations in those countries, binding their economies to the system of world capitalist centers and facilitating the maintenance of economic and political structures favorable to the West.

Issues of the efficiency and productive utilization of the funds granted play far from the main role for the donor in such an approach, giving way to political and social criteria. State "aid" on the most preferential terms is subordinated to the greatest extent to the strategic mission of imperialism. In recent years this aid, acquiring a more and more selective nature of late, is directed first and foremost to a group of countries and territories that are especially closely linked with the former mother countries, in which the West is trying to devise new forms of the neocolonialist division of labor, as well as to create support points for military and political opposition to world socialism. This policy can be clearly traced in Africa in the policies of the former colonial powers, and first of all France and England, who are striving to preserve and solidify their positions in their former possessions. France "looks after" a narrow group of states in the "franc zone," sending them from 60 to 80 percent of the total amount of its financial subsidies and favorable loans. England acts in the same spirit in the former British Africa. The ruling circles of the United States openly tie the granting of their "aid" not so much to the actual needs of Africa as with their own intrinsic global military and strategic aims. Whence the major appropriations along the lines of American "aid" to such countries as Somalia, Kenya, Morocco and Liberia that collaborate with Washington in the political and military spheres. The function of reinforcing the political and ideological positions of the West in the countries of the continent by nudging them in the direction of the unimpeded development of capitalist relations is also charged to this "aid."

The United States is trying to utilize the disastrous state of Africa today in the realm of foodstuffs to foist economic reforms on it in the spirit of "free enterprise," to "set up and develop a market economy," unambiguously declaring that following these principles is the main criterion for granting American food assistance.

Following this logic, the United States does not allot or delivers insignificant quantities of foodstuffs to countries that have entered onto the path of progressive transformations (Ethiopia and Mozambique among others), although the need of some of them for urgent deliveries of food products is especially great today. At the same time, the "true friends" of the United States in Africa, following in the wake of its policies, receive the principal portion of the "aid," sometimes even notwithstanding the awareness of Washington that the American foodstuffs are simply stolen by the venal ruling circles, as happened, for example, in Zaire. The United States, however, continues to render "aid" to Zaire in even greater amounts than before.

The political aspects of the aid, advanced to the fore by the main capitalist powers today, and first and foremost the United States, are closely linked by the offering party with the achievement of primarily intrinsic economic aims, the most important of which is assisting the export and investment expansion of the donor.

The majority of the African countries are unable to provide the Western monopolies with a mass modern buyer—a consumer of durable goods. Due to the need for large initial expenditures on passive elements of fixed capital, the non-economical sizes of enterprises and the poor qualifications of personnel, capital investment in the production of this type of goods (aside from investments in the production of valuable types of raw materials) provides a low economic return. The aid is called upon to eliminate the chief obstacles to the multinationals on the path of penetrating the customer-countries—the poorly developed social and productive infrastructure, the low capacity of domestic markets and the poor productivity of labor—creating thereby the economic preconditions for raising the profitability of private investment, expanding the market opportunities of the monopolies and the like.

A considerable and ever-growing portion of the Western aid is earmarked for the development of agricultural production in the African countries. The government of France, for example, today feels that agriculture, along with power engineering, is the most important realm of its collaboration with these countries. Production cooperatives, animal-husbandry and field cooperatives and training and consultation centers are being created for the peasants, plantation farms are being expanded, new types of crops are being incorporated, the seed stock and livestock herds are being improved and the like using the funds allocated by the EEC. But the effect of this type of "aid" on the economy of the receiving country is not limited purely to its sectorial aspect. It also touches on the processes transpiring in the sphere of accumulation and consumption, finances and foreign trade. The priority financing of the production in Africa of crops intended for export to Western Europe that is being practiced by the EEC countries in particular is not only creating the basis for the appearance of structural disproportions in agriculture, but is also impeding the formation of a unified domestic market, hindering the process of accumulation in the African countries and aggravating the dependence of their foreign-currency positions and economies overall on the whims of the world capitalist economy.

Western policies in relation to aid for the industrial development of Africa are of a contradictory and limited nature. On the one hand, they have a vested interest in somewhat of an acceleration in the processes of industrialization on the continent, the diversification of its economy and the expansion thereby of opportunities for the profitable application of capital, but on the other hand, they do not desire a radical change in the dependent position of the continent as a supplier of raw

materials and a consumer of finished products, since such a shift could inflict harm to the interests and positions of the monopolies. Whence the especial accent placed by the West on granting funds to create those enterprises in the export sector in Africa that are connected with the production and processing of mineral and agricultural raw materials. The developed capitalist countries feel that the disposition of these enterprises on their own territory is undesirable for ecological as well as economic reasons. This approach extends to sectors of the processing industry as well—foods, textiles, pharmaceuticals among others—whose products cannot seriously compete with the goods produced by the monopolies and their offshoots.

Industrialization in the African countries is thus being accomplished according to a model offered by the West that excludes the possibility of equal partnership of the continent with the West in the foreseeable future.

An excessive orientation toward foreign resources and the sway of dependent sentiments that harm the development of internal growth mechanisms are encouraged in a number of cases by the Western donors themselves and are becoming additional factors in expanding the scope of economic dependence of some capitalist-oriented African states. This process, in the opinion of many of the critics of "aid" among Western scholars, is also being aggravated by individual attempts to preserve the social status-quo and block internal transformations in these states. The British specialist J. Arnold, for example, feels that in Africa "a large portion of the aid is used not for development purposes, but for the economic and political survival of this or that government," wherein "an ever greater number of governments in the African countries consider aid as an annual budget subsidy."

Matters are quite different in the socialist-oriented states, which, relying on the support of the socialist community, are striving to make use of capitalist aid in the interest of developing and strengthening the economy and are consistently directing the activity of foreign capital into the channel of state planning.

Making use of the economic and technological dependence and unequal positions of the liberated countries in the world capitalist economy, the CPSU Program notes, imperialism is shamelessly exploiting them, exacting a multi-billion-dollar tribute that smothers the economies of these states. The gigantic indebtedness of the countries of Asia, Africa and Latin America to the industrially developed capitalist states has become one of the most important channels for their exploitation by imperialism, and first and foremost American imperialism.

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### Current, Future Economic, Political Status of Hong Kong Viewed

18070066c Moscow AZIYA I AFRIKA SEGODNYA in Russian No 1, Jan 88 pp 30-33

[Article by A. Davydov: "Hong Kong—At the 'Trade Crossroads' of Asia"]

[Text] Hong Kong is called the "trade crossroads" of Asia. Here is where paths cross between East and West, whence maritime routes lead to Southeast Asia and Oceania, where air routes linking exceedingly remote corners of the globe converge...

If one approaches Hong Kong from the sea, the first thing that strikes one on the approaches to the harbor is the stone hills of the islands, covered with rare vegetation. A feeling arises at first that the islands are uninhabited, but this impression is deceptive, and now the naked eye distinguishes the silvery dishes of radar installations and the delicate antennae reaching skyward on the summit of one of the hills: a sign of the fact that these islands are not scattered bits of dry land among ocean spaces and that people should be somewhere nearby.

Suddenly a panorama unfolds behind the hills gliding by—a concentration of high white buildings of contemporary architecture, located in groups and pushing up against each other. That is what the residential massif of Wa-Fu on the western extremity of Hong Kong looks like. And finally, having rounded the cape and keeping left of the lighthouse with its winking red eye, the vessel enters the Hong Kong port area and, slipping between the moored tankers, bulk freighters and other diverse ships large and small, sets course for the berth of the maritime station.

Here it seems the whole city is in the palm of your hand: skyscrapers of glass and concrete in gray and sandy tones form a seemingly endless chain bordering the Kowloon Peninsula and the other islands of Hong Kong located opposite it on the other bank of the Victoria Strait. Mountains rise behind the skyscrapers, creating a unique natural background and setting off this urban agglomeration. The slopes of the mountains are quite steep, and thus the choice of places on them to build is linked with enormous difficulties. And the builders also have small sections of filled land won from the sea, every square meter of which is used to optimal advantage. Thus here, on the "most expensive land in the world," the price of houses, as well as land, is always rising.

How little land there is in Hong Kong suitable for building can also be seen from the air. The 3.5-kilometer runway of the Kaytak Airport, running into the smooth surface of the water between the island and the mainland, is also artificially filled in, and gigantic airliners take off and land every three minutes with a deafening roar, barely clearing the roofs of the surrounding houses. All that can be seen through the porthole of the aircraft

cabin is a small cluster of land passing beneath the wing, houses built closely together, jammed between the mountains on one side and the ocean on the other.

Hong Kong is called Xianggang in Chinese, which in translation means Bay of Fragrances. There is dispute to this day on the derivation of this name. Some historians feel that Hong Kong owes its name to the sharp smells that were given off by the spices of the vessels at the berths of the local harbor. Others feel that the name came from the multitude of small enterprises for the manufacture of the strong-smelling sticks used by the Chinese as incense in the churches.

Whatever the case may be, the aromas of the past are not longer present, unless one counts the salty smells of the sea and the fish that are characteristic of the port city. Industrialization and urbanization have made their contribution not only to the landscape of the local terrain, but to the "palette" of Hong Kong smells as well—the exhaust gases of a multitude of motor vehicles and the terrible stench coming from sewage in regions adjoining the port. There are more than enough sources of environmental pollution in the city: almost a million tons of sewage and runoff are dumped into the Hong Kong harbor each day, and the rivers bring in up to two thousand tons of waste from pig and poultry farms. Poisonous by-products of combustion from the furnaces for the burning of garbage and the carbon dioxide formed as a result of the use of cheap fuels in local industry go into the atmosphere.

Located on the southeast coast of China, Hong Kong is a territory made up of islands of the same name, the greater portion of the Kowloon Peninsula and the adjoining islands. The total area of the territory is equal to 1,046 square kilometers, and it includes 235 islands.

As testified to by historical documents, contemporary Hong Kong was part of the Chinese state at the end of the 3rd century B.C., but Chinese agricultural settlements appeared there only in the 11th century. During the Anglo-Chinese War of 1840-42, the island of Hong Kong was occupied by the British and, in accordance with the Nanking Treaty of 1842, was given over to the "perpetual ownership" of Great Britain. As a result of the Anglo-Chinese War of 1856-60, the southern extremity of the Kowloon Peninsula, seized from China, was joined to the British possessions in this region. And finally, according to a convention signed in June 1898 that was foisted on China, Great Britain obtained a 99-year lease on the so-called "new territories" which included a considerable portion of the Kowloon Peninsula and the adjoining islands.

The significance of Hong Kong, located on maritime routes linking the Pacific and Indian ocean basins, has grown steadily since the middle of the last century, and by the beginning of this century it became an important support point for British imperialism in China. Arms and financial aid came from here to Guangzhou in 1924

for the Chinese compradore-merchants that mutinied against the revolutionary-democratic government of Sun Yatsen. In the 1920s the working class of Hong Kong repeatedly rose up against the imperialists. The first major anti-imperialist uprising in China, organized by the trade union of the local sailors and concluding at the beginning of March with their triumph, burst out here in January of 1922. Several years later Hong Kong was the site of the Xianggang-Guangzhou strike—one of the largest and most prolonged strikes in China during the period of the revolution of 1925-27. Hong Kong was seized by the Japanese militarists during World War II. The British returned here after the defeat of Japan on 30 Aug 45.

Over the course of the 40 postwar years, while remaining at the center of the bustling economic life of the region, Hong Kong has nonetheless remained aside from the boiling political passions and, thanks to its status, has extracted no small advantage from this. Over this time it has been transformed into the third most significant port in Asia after Tokyo and Singapore, become the leading exporter of clothing in the capitalist world and won a reputation as a major financial and banking center, behind only New York and London in the volume of operations.

The beginning of the 1980s, according to the assertions of the local administration, was marked by an export boom. Hong Kong was glorified as a place where the most favorable investment climate existed for foreign capital. The gross domestic product of Hong Kong reached 5,000 American dollars per capita during this period, in the Far East second only to Japan for this indicator.

Western economists have always associated the "Hong Kong phenomenon" with its favorable geographic situation, as well as "an ability to extract advantage from the current situation in the world and various regional conflicts," usually citing by way of example the civil war in China at the end of the 1940s and the American aggression against Korea (1950s) and Vietnam (1960s-70s). There is, of course, another material reason for the economic prosperity of the "Bay of Fragrances" that the bourgeois researchers, as a rule, prefer to remain silent about or mention in passing, as if by the way.

The foundation of the "economic miracle" that Hong Kong, devoid of practically all natural resources, embodies was laid by the harsh, exhausting and poorly paid labor of the simple people populating it or, in other words, the cruelest capitalist exploitation of the workers. It still strikes one most distinctly if one takes into account the great schism that exists between the haves and have-nots among the residents of Hong Kong and the extremely low level of social-security benefits. Notwithstanding the expansion of state housing construction, roughly half a million Hong Kong residents still live in hovels, 120,000 in somewhat better temporary housing and 250,000 in state buildings where a family often

occupies a single room without rudimentary amenities. About 200,000 people have no permanent housing at all in the customary sense of the word and huddle wherever they must, even on the roofs of houses. The multitude of junks and sampans that the harbor is strewn with also provide a refuge for them.

The status of the residents of this "city on the water" is especially unenviable, and its origins have their own history. The so-called "danjia," considered first and foremost to be people of lower origins, made up a distinctive subsegment of the various social groups of Chinese that resettled to Hong Kong over the last century and a half. They were displaced from the mainland, from the province of Guangdong, and settled in boats on the shores of Hong Kong. For a long time the Chinese laws forbid them to marry anyone who lived on dry land.

Today the law does not stipulate such categorical prohibitions, but as of today about 50,000 Chinese (and in 1961 their numbers had reached 137,000) spend almost their entire lives in junks and sampans, preserving the specific way of life and old traditions. The preservation of these traditions has been brought about partly by a series of legal limitations imposed by the Hong Kong authorities on the freedom of movement of some categories of these people.

"I have no freedom in Hong Kong," a wife of a local fisherman, Jing Huolin, who came here in 1981 and lives to this day on board a junk belonging to her husband, tells me. Although Jing Huolin came to Hong Kong on a legal basis and with the permission of the Peking authorities, she is essentially without rights, since she has no identity card issued by the colonial authorities. "I don't dare go ashore," she says, "if my child needs a doctor, my mother-in-law calls him. Any policeman on the shore can arrest me."

The reluctance of the local authorities to "treat" the social ills of Hong Kong in earnest and the lack of confidence of the residents of this capitalist "paradise" in tomorrow is explained not only by the nature of bourgeois society, but also the indeterminate nature of the status of Hong Kong today and in the future awaiting it in ten years. After all, Hong Kong is a unique enclave of capitalism on the territory of a socialist state, the People's Republic of China.

What will happen to Hong Kong? To the extent of the approach of 1997—the deadline for the expiration of the British lease of the "new territories"—this questions is more powerfully troubling not only the local residents, but the whole capitalist world, whose interests and enrichment have been served by this possession of the British crown faithfully and truly for over a hundred years.

The problem of Hong Kong began to take on a priority nature in the development of Anglo-Chinese relations at the beginning of the 1980s. The British authorities

repeatedly unofficially affirmed their desire to retain control of Hong Kong after 1997 but, as they emphasized, "not for colonial, commercial or strategic considerations at all," but by virtue of some supposedly "moral obligations" to the people of the territory.

The preservation of the status-quo is also advantageous to the United States, the more so as its has considerably reinforced its economic position here of late. About 700 American enterprises and branches of major U.S. banks such as Chase Manhattan, Chemical and others are based here, where taxes are not imposed on big business. American businessmen, like their British counterparts, are attracted by the cheapness of the workforce, the favorable investment climate, the dynamic nature of small-scale enterprises and, moreover, the love of labor and ingrained thoroughness of Chinese workers.

As early as in 1972, at the 27th UN General Assembly, the PRC refused to submit the issue of Hong Kong for the consideration of the Committee on Decolonization, declaring that it was not a colony, but rather "sacred Chinese territory" that was temporarily under British control. The British-Chinese negotiations on Hong Kong that began in 1982 went on for almost two years and were conducted in an atmosphere of especial secrecy. The initialing of a declaration of the governments of the PRC and Great Britain on the issue of Xianggang took place on 26 Sep 84. In accordance with it, Hong Kong will transfer to the jurisdiction of China in 1997. The provisions of the declaration permit Hong Kong to retain its current economic, social and legal system, currency and status as an international trade and financial center for 50 years after 1997.

Hong Kong, to which falls 12.4 percent of the foreign trade of the PRC, provides beneficial opportunities for procuring progressive equipment and technology beyond the established quotas thanks to the companies under its control. There are about 420 financial institutions in Hong Kong that are under the control of the PRC, while the total amount of capital investment comprises, according to various estimates, from two to five billion American dollars. Being a major financial center, Hong Kong grants China short- and long-term loans and other financial assistance. Broad and mutually advantageous relations are also maintained in trade and reciprocal capital investment. Hong Kong is an important center for the re-export of Chinese industrial goods. The PRC receives about 40 percent of its foreign-currency receipts from here.

Chinese officials, right up to the highest leaders, constantly stress the importance of expanding ties with the territory. Over the time since the beginning of negotiations between the PRC and Great Britain, Peking investments in the Hong Kong economy have doubled.

The Western states are counting on the fact that the modernization of the economy with the attraction of capital will lead not only to a strengthening of the

dependence of China on the capitalist states, but will also have an influence that is favorable to the West on the political structure of Chinese society. They also intend to make use of Hong Kong, where they hope to remain long after the transfer of the latter to the jurisdiction of Peking as a reliable "window" as before for the ideological penetration of China, or else simply for underground actions against the PRC. The Western intelligence agencies have long been enamored of Hong Kong for conducting such operations.

With the connivance of the local administration and complete encouragement on the part of the British authorities in Hong Kong, the American CIA, which has directed its activities against the PRC for many years, has become firmly entrenched here. The Chinese organs of state security have just recently exposed a number of residents of Hong Kong that were living on the mainland as scholars, journalists and the like that were engaged in espionage for American intelligence.

Before the establishment of an American contact mission in Peking in 1973, transformed into an embassy in 1979, Hong Kong was the chief "observation point" for the U.S. government in Asia for studying the situation in China. It plays a key role today as well in the collection of information on the domestic processes transpiring in the PRC and the principal trends and directions of its internal politics.

The West ties the problem of the subsequent peaceful re-unification of China and Taiwan with the fate of Hong Kong in its calculations. They assume there that the behavior of China in relation to Hong Kong will create a definite precedent for future mutual relations with the island and will make it possible to reinforce the position of forces in Taiwan that are in favor of re-unification. China does not refute such hypotheses, but does not come out in support of them either. It can only be asserted with confidence that both the Chinese and the Western countries would like to preserve the economic "peak" of Hong Kong, consisting of approximately 20,000 local businessmen, without the presence and constant investment of which the economy of the territory could lose its viability. The government of the PRC is displaying flexibility and a pragmatic approach on the question of preserving the economic base of Hong Kong. An agreement has already been reached, for example, that Hong Kong will remain an independent member of the General Agreement on Trade and Tariffs (GATT). Other forms of economic autonomy are also being encouraged.

As for the political situation, there is tacit agreement between London and Peking that Great Britain should refrain from any efforts to alter radically the political structure of the territory over the next ten years, for example via granting it self-government. Only small "improvements" in the existing system can be made. They have, by the way, already begun with the holding of

the first elections to the Legislative Council in the 140-year history of Hong Kong for 24 of the 56 seats in this supreme consultative organ of Hong Kong in September of 1985.

At the same time, the development of the legal foundation for returning the territory to China is being implemented within the framework of the committee for composing the Fundamental Law for the Special Administrative Region of Xianggang under the chairmanship of Ji Pengfei, PRC State Council member and chief of the State Council Chancellery on Issues of Hong Kong and Macao. This Fundamental Law, according to the intent of its creators, should not copy either the legal practice of the PRC or the legislation of other countries, but should rather be based on existing realities reflecting the principle of "one country—two systems" that has been adopted by the Chinese leadership. The committee, consisting of 36 representatives from the PRC and 23 representatives of Hong Kong, has been broken down into five groups working on sections of the Fundamental Law concerning the political system, relations between the central and local governments and the rights and obligations of the population of Hong Kong, as well as issues of economics, science, education and culture. Speaking at the first committee session, Ji Pengfei described the conditions extant in Hong Kong after the signing of the Anglo-Chinese agreement as "extremely favorable."

In reality, the situation here has stabilized somewhat compared to the period immediately preceding the signing of the treaty documents. The large-scale flight of capital of that time has ceased, and the economy and foreign trade have been revived. Hong Kong is withstanding the worldwide economic recession better than many capitalist countries.

What awaits Hong Kong? How will the territorial administrative mechanism that is now being created on the basis of existing agreements operate? How will they be able to resolve the problem of integrating a capitalist economy within the framework of a socialist order, as well as some other problems, especially relative to the legal status of the 5.5 million residents of the territory? The impending future will probably answer these questions. One thing is clear today: the just resolution of the Hong Kong problem requires regarding as of paramount importance not the self-interested considerations of a narrow group of individuals with a vested interest in extracting enormous profits and preserving channels for enrichment and gain, but rather the genuine interests of the simple people populating this territory.

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**Readers Continue Debate on Colonialism's Pluses, Minuses**

18070066d Moscow AZIYA I AFRIKA SEGODNYA in Russian No 1, Jan 88 pp 44-45

[Replies to letter to the editor from AZIYA I AFRIKA SEGODNYA No 9, 1987 by A.M. Sirotov under the rubric "Reader Discussion": "Colonialism under Fire"]

[Text] *The letter of reader A.M. Sirotov in this journal (No 9, 1987) evoked much interest and a multitude of replies. The letters we have received include some whose authors agree to a greater or lesser extent with individual statements of A.M. Sirotov without, however, sharing his overall point of view.*

For example, here is what Y. Kerkesh from the city of Tiraspol writes.

A. Sirotov is perhaps somewhat correct. After all, it is no secret that by the time the Europeans arrived, the principal body of the peoples of Africa were in the stage of communal-clan structures, while capitalism had developed everywhere in Europe. After all, even within the limits of the colonies there were individual areas where the authority of the administration was hardly felt and, consequently, the existing social structures were not disrupted by it. In my opinion, colonialism is a contradictory and multi-level phenomenon. It did not contain negative factors alone. Along with enslavement, it brought new ideas and technical knowledge to Africa, although of course the colonizers strove to develop industry and agriculture in the directions they needed.

The fact that a limited number of Africans had begun to obtain higher education in the mother country evidently also played a definite role. This means that new knowledge, albeit slowly, penetrated the continent. But comparing the successes of our country and the states of Africa over a single time interval, however, is erroneous. At least because in the majority of the countries south of the Sahara there are still not unified nations, their population consists of various tribes among which rivalries have yet to be eliminated. In the Russian empire before the revolution, a unity in diversity had already taken shape to a considerable extent. Even then the main body of our population had come to an understanding of the advantages of unity over fragmentation. Russia was thus in a more advantageous position in this regard.

The African countries today face problems that were resolved centuries ago in developed societies. And there is still a mass of prejudice here based on tribal and ethnic contradictions. All of this together is restraining their development. And the legacy of colonialism is just a component of the difficulties, which also include neocolonialism, the activity of the multinational corporations and the militarization of the economies to the detriment of development. In order to determine which brings about the lag of African countries first and foremost, our researchers must be more objective in their work.

*Another and more extensive part of the correspondence is comprised of letters whose authors decisively express their disagreement with the views of A.M. Sirotov. Among them can be singled out the letters of young Africans that have come to our country to obtain higher education, such as, for example, Nigerian Taiwo Adelaja and Moroccan Lebrazi Abdelhamid.*

We present the words of Lebrazi Abdelhamid.

I am Moroccan. I have lived in the USSR for five years, as a student at the Moscow State Historical-Archival Institute. I know about the consequences of colonialism firsthand. Over the course of almost a half century, from 1912 to 1956, my country was under the heel of Spanish and French colonizers; we still acutely feel the consequences of colonial slavery.

A.M. Sirotov writes that one cannot blame colonialism for all of the complex and numerous problems faced by the peoples of the developing countries. "Just how can their economic backwardness be considered a consequence of the colonial past?" asks the author.

Here is how. A distinguishing feature of a colonial economy is its fragmented, one-sided and cabalistic dependence on the economy of the mother country. Foreign capitalists, in their chase after super-profits, invested funds only in those sectors that produced maximum advantage. The interests of the colonial countries were sacrificed to the interests of the mother countries, and their natural wealth and laborers were subjected to the cruelest exploitation. Colonialism is undisguised robbery of the national property of the colonial countries.

Where does the prolonged sway of the colonizers lead? After the winning of national independence, the economic structure of the liberated country remains for a while as before, that is, colonial. The young state faces the task of improving it and bringing it into conformity with national interests. Funds are needed for this purpose, which as a rule do not exist. These funds are given... by yesterday's colonizers, undoubtedly at great advantage to themselves. The attraction of foreign capital to develop the national economy entails foreign-policy dependency and gives the ruling circles of the major imperialist states the opportunity of dictating their will to many of the peoples of the Third World. Colonialism is transformed into neocolonialism. Do you understand the feelings of people living under someone else's bidding?

And another thing. A.M. Sirotov finds it possible to compare the successes of the Soviet Union over the 25 years of development along the path of socialism with the achievements of the developing countries in the post-colonial period of their history. How can you compare the incomparable?

I am familiar with the history of your country: I studied it back at home and then, while a student at a Soviet higher-educational institution, I took courses in the history of the USSR and the CPSU, and I cannot agree with this postulation of the question. Russia was a country with an average level of capitalist development. Russia was never a colony. The beginning economic level of your country, notwithstanding the postwar ruin, was higher than that of many developing countries. Soviet Russia had internal reserves by which the socialist transformations were accomplished. You would never have built socialism had you not had everything essential and sufficient for it. One cannot create a powerful economic system on enthusiasm alone without a definite basis.

Many developing countries do not have an adequate starting level and internal reserves for the rapid growth of the economy and an increase—as a consequence of it—in the standard of living of the population. And they ultimately do not have it “thanks” to colonialism. The consequences of the colonial past are not simply an economy on the decline. They are also a compradore bourgeoisie whose interests are alien to those of the national state and the activity of which is associated with the former mother countries. One also cannot forget about political power, which has a marked influence on the development of the economy of any country. Comparisons of this sort are either political speculation or historical and economic ignorance.

A.M. Sirotoev sees one reason for the economic backwardness of the developing countries in that the people are supposedly not accustomed to physical labor, but rather “strive only to seize power, as testified to by the military coups.” A feeling of superiority over the peoples of the developing countries and a contempt for them can be felt in this assertion of the letter’s author. It is vulgar from an economic viewpoint and incorrect in essence. People are not accustomed to physical labor and hence, he says, economic backwardness, a low standard of living, illiteracy, hunger, disease, poverty and tribalism. They are, he says, thieves and torturers by profession. God is punishing them for their sins. It is difficult to find a more simplistic explanation of the whole set of problems facing the developing countries. How the people there work! They work by the sweat of their brow and under conditions much worse than in your country. And they are accustomed to working well, because a lazy man has no chance of surviving. And it is namely the colonial legacy in the realm of economics and politics along with the neocolonial influence that makes them worse that keeps the developing countries from solving their own problems.

The frequent military coups in a number of liberated countries also cannot be explained by peoples’ reluctance to work and their desire for power. The tense internal climate here is a direct result of colonialism, and moreover the internal tension is often closely tied to external tension. Look, Comrade Sirotoev, at the political map of

Africa: the straight boundaries, as if drawn with a ruler, strike you at once. I hope you will not deny that this is a consequence of the colonial past of the “dark continent.” And after all, these straight lines divide tribes and peoples (there is tribalism for you). They are seeking ways of resolving conflicts that are not always suited to agreement, and they cynically make use of the reactionary circles of imperialism, in practice implementing the imperial principle of “divide and conquer.”

A.M. Sirotoev provocatively asks the associates of the journal how they explain the fact that the whites in power in South Africa “are leading the country along the path of social and economic progress.” I am sure that the majority of the readers both in your country and abroad answer this simply with “Absurd!!!” The high standard of living in South Africa is for the whites alone! And only through monstrous exploitation of the black population, which comprises the overwhelming majority of the residents of the country. The bloody struggle of the indigenous population of South Africa, its fight for immediate and radical changes and the mass readiness to go after them even to the death is shining confirmation of this.

Having lived for a comparatively long time in your country, I can understand (but not accept) the position of A.M. Sirotoev. It is evidently a person’s reaction to the half-truths, understatements and tendentiousness that existed in illuminating a number of events and instances of domestic and international life during the years of stagnation. I am thus deeply convinced that the great changes that have occurred and are occurring in the work of our mass media will play an enormous role in the restructuring being conducted in the Soviet Union.

*An agitated letter was also sent by a graduate of the history and philology department of the University of the Friendship of Peoples imeni Patrice Lumumba, Allen N. Budeli, who was born and lived in South Africa and has visited Mozambique, Zimbabwe, Swaziland, Tanzania and a number of other African countries.*

It was not difficult for me, an attentive and not-indifferent reader of your journal, to note the incorrect treatment of race problems by A.M. Sirotoev. He does not comprehend how the economic backwardness of the countries of Africa can be considered a consequence of their colonial past. The whole point is that he idealizes too much the role of the white colonizers in the development of the states of our continent. After almost four centuries of the plundering of Mozambique and Angola by the Portuguese, what appreciable successes in the development of their economies can be achieved by the peoples of those countries in just 25 years of political independence?! It is strange and absurd to draw any historical parallel between Soviet Russia in the first quarter century after the socialist revolution and the states of Africa over the analogous period after the

frequently formalistic proclamation of their independence. The USSR has a definite industrial base, on the basis of which it was able to achieve real successes in its economic development.

There is no need to prove the groundlessness of the assertions of A.M. Sirotov that the Africans are not accustomed to physical labor and only seek to seize power, since it is well known that it is namely the indigenous inhabitants of the continent that do the most difficult and dirty work. It is namely the Africans that are working under the inhuman conditions of the mines of South Africa—a country about whose political regime the author writes with a certain degree of sympathy. This regime is condemned by all progressively thinking people regardless of the color of their skin or political convictions, in the same way as they condemn racism and apartheid. It is namely through the cruel exploitation of the Africans that the living standard of the whites in South Africa is one of the highest in the world. The author of the letter comes to the point of saying that “there is practically no unemployment” in South Africa. As an eyewitness I assert that unemployment in South Africa exists both among the whites and especially among the Africans. The people in the Bantustans suffer from many diseases that have officially been “eliminated” in South Africa. Hunger and poverty are also the lot of the Bantustan inhabitants. The racist regime of Pretoria is making use of the labor of workers from neighboring African countries not because this helps them resolve the problem of employment, but for the purpose of weakening the trade-unions of the South African workers. The recent strike of the miners testifies to this. The conclusion of A.M. Sirotov that the authorities are leading the country on the path of social and economic progress is absurd.

I would also like to emphasize that the ability of South Africa to create its own nuclear bomb is in no way an indicator of the high efficiency of its economy. Can it be that the author of the article really does not know that the imperialist powers transferred nuclear technology and even trained nuclear specialists for South Africa?!

*These and many other letters we received testify to the interest of the readers in those problems that A.M. Sirotov touched on in his letter. Taking this interest into account, the editors have appealed to M.Ya. Volkov, an academic associate at the Institute of World Economics and International Relations, to speak out on the essence of these problems. You will be able to read his article, “The Roots of Backwardness,” in an upcoming issue of the journal.*

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### Book on Roots of Korean Conflict Reviewed

18070066e Moscow AZIYA I AFRIKA SEGODNYA in Russian No 1, Jan 88 p 62

[Review “Korea: The Origins of the Struggle” by M. Babikov of book “U istokov borby za yedinstvo i nezavisimost Korei” [At the Origins of the Struggle for the Unity and Independence of Korea] by V.I. Petukhov. Moscow, Main Editorial Board for Oriental Literature of Nauka Publishing House, 1987, 236 pp]

[Text] The historiography of recent Korea has been supplemented with new research. The author, using extensive documented materials and based on the experience of personal participation in many diplomatic actions, reviews a comparatively brief historical period—from the end of World War II to the middle of the 1980s.

This period is of particular interest insofar as it was namely then that the clash of two diametrically opposed policies in the approach to Korean affairs was manifested in exceedingly sharp relief—on the one hand, the policies of the USSR, which defended the right of the Korean people to unity, independence and democratic development, and on the other hand, the policies of the United States, which took a course of not permitting the self-determination of the Korean people.

The book shows how the policies of the imperialist states, and first and foremost the United States, have engendered a most acute political and national problem—the schism of the country. The author uncovers the expansionist essence of the policies of American imperialism in Korea and the tactical methods of U.S. diplomacy aimed at asserting American sway in Korea.

The author reveals the criminal role of the United States in organizing separate elections and the creation of a puppet government in South Korea and in the implementation of the armed intervention in Korea in 1950-53, and he points out the dogged resistance of Washington and its South Korean proteges to the peaceful resolution of the issue of national re-unification after the end of the Korean War.

Petukhov analyzes the political activity of Korean and Chinese diplomacy and the essence of Soviet foreign-policy activities aimed at localizing the conflict, keeping it from spreading and then stopping it altogether. The work shows the acute political and diplomatic struggle against the efforts of the United States and its Korean stooges to smother the Korean People's Democratic Republic, eliminate its popular-democratic structure and extend the power of Seoul to the whole Korean peninsula.

Bourgeois historians and commentators, as is well known, deliberately skew the essence of the Korean question, presenting the history of the struggle around it in the world arena in a false light. They are trying to

remove from the United States the responsibility for the split of Korea and the violation of international agreements to ensure its independence via the creation of a unified democratic government, and in this regard this book takes on especial topicality and political significance.

The book also relates how, after the defeat of the interventionist troops, the Korean people lifted their country from ashes and ruin in a very short time. The successes of the Korean People's Democratic Republic would have been even greater, the book notes, had there not been the pressure of U.S. imperialism and South Korean reaction on it, forcing the republic to spend a considerable portion of its national income for the maintenance of defensive capability at the level required by the times.

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# **Table of Contents of AZIYA I AFRIKA SEGODNYA No 2, February 1988**

18070088a Moscow AZIYA I AFRIKA SEGODNYA in Russian No 2, Feb 8 p 1

[Text] Monthly scientific and socio-political journal of the Soviet Committee for Solidarity with Asian and African Countries, the Oriental Studies Institute, and the Africa Institute of the USSR Academy of Sciences No 2 (368) February, 1988. The journal has been published since 1957. It is published in Russian, English, French, Portuguese, Dari, and Arabic.

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### **China. Special Economic Zones**

18070088b Moscow AZIYA I AFRIKA SEGODNYA in Russian No 2, Feb 88 pp 15-18

[Article by V. Arkhipov, doctor of economics: "China: Special Economic Zones"]

[Text] During its existence, the Chinese People's Republic has gone through a number of stages of political and social development. The current one, which began at the end of the past decade, is characterized by fundamental changes in socio-economic policy and in the very life of China. Its renewed state and party leadership, after consolidating its positions at the 3rd Plenum of the CCP Central Committee of the 11th Convocation (December 1978), began to quickly and resolutely introduce and implement fundamentally new conceptions with respect to the most important questions of domestic and foreign economic policy.

Beginning with the 1980s, China has adopted and is successfully carrying out a broad complex of measures aimed at the comprehensive development of economic relations with foreign countries along such channels as foreign trade, the attraction of foreign capital, technical know-how, technology, etc.

During 1980-1984 alone, the volume of foreign trade of the PRC more than doubled—from 57 to 120 billion yuans, with both export and import growing equally. The policy of modernization of the economy embarked upon in those years, of which the acceleration of the purchase of industrial products abroad has become an integral part, has radically transformed the structure of Chinese imports. If in 1980 raw material goods (almost entirely food products) accounted for 34.8 percent of the value of imports, in 1984—for only 18.7 percent. At the same time, the proportion of industrial goods purchased abroad increased—from 65.2 to 81.3 percent. The not only relative, but also absolute reduction in the import of food products was the direct consequence of the rapid growth of agricultural production in the new conditions.

The development of foreign trade is keeping pace with the series of other measures mentioned above, which are subordinated to the same task—the acceleration of economic progress. Their essence consists, above all, in the attraction of foreign capital, with their being a trend, during the past few years, toward the use of private production capital, which is basically (but not exclusively) used for the organization of mixed, joint enterprises with the Chinese side in the sphere of production and services. The PRC, without a doubt, is showing a great interest in the encouragement of precisely such investments, since this, in part or in full, takes from it the

financial responsibility for the organization and operation of the enterprises, frequently does not give rise to any foreign indebtedness, or, if does so, to small indebtedness, and, what is the main thing, guarantees the creation of the necessary sectors and enterprises, the attraction and dissemination of the necessary technologies and technical and administrative skills, and the increase of the export potential.

Such a policy aimed at the attraction of foreign production capital for the purpose of expanding these or those sectors and, consequently, the increase of the country's production apparatus as a whole represents, without question, a fundamentally new phenomenon in the practice of the economic development of the socialist countries in general and their relations with the capitalist countries in particular.

During a short period—1979-1985—China reached agreement with foreign private companies about attracting, into its economy, investments in the amount of 16 billion dollars, of which 4.6 billion were actually invested in various sectors of the economy (industry, construction, the service sphere, etc.).

What attracts attention is the diversity of the forms of the investment of foreign production capital. The first is mixed enterprises, in which in one proportion or another (by law—no less than 25 percent) foreign capital is represented. Their legal cover usually is limited liability companies, in which, as is well known, both sides have common investments and bear joint responsibility for profitability and risk depending on the share of capital invested. The second form, called "cooperative enterprises," differs from the first by the fact that the obligations of the two sides with respect to the organization and operation of the enterprises are strictly divided (on the basis of contracts). Their activity is usually regulated by comparatively limited terms. The third type are entirely foreign enterprises.

Foreign private capital is attracted systematically to China, and above all to certain geographical regions. First place among them in terms of significance is occupied by the so-called special economic zones, which are conceived of as the most massive territorial concentration of foreign investments in the form of both independent foreign and mixed enterprises in the sphere of production. According to the definition of Deng Xiaoping, such zones "are windows (to the outside world—V. A.) to obtain technology, management experience, and knowledge in the interest of assisting the realization of the program for the modernization of China."

Basing oneself on the statements of other Chinese leaders and the corresponding government declarations, it would be worthwhile to make the indicated definition more precise in the following manner: The creation of special economic zones is subordinated to the idea of the increase of the export potential of China through the

export, by them, of products for foreign markets, the expansion of the production apparatus of the country as a whole, and the dissemination of the modern technology obtained to its other regions.

Beijing declared its intention to organize special economic zones in 1979, and in August, 1980 this declaration found its legislative legalization when the Permanent Committee of the All-Chinese Meeting of People's Representatives adopted the "Decree on Special Economic Zones in Guangdong Province," which provided for their creation on the basis of the cities of Shenzhen, Zhuhai, and Shantou (Swatow). Subsequently, the status of special economic zone was extended also to the city of Xiamen (Amoy), which is located in the neighboring province of Fujian. The special economic zones have not become sorts of enclaves that have attracted or are attracting foreign production capital in China. The authorities of the country, in essence, pose this question more broadly. They believe that the capital from the outside, as well as the foreign technology, must go to work in all the regions and the sectors where there is a need for them.

Thus, behind the slogan of the creation of the special economic zones there soon appeared the idea of the creation of opening up 14 large coastal industrial cities. Subsequently the appeal for industrial cooperation with foreign capital was extended to the most remote regions of the country—the central and Western regions—as well.

Nevertheless, today the special zones are the cradle of the policy of expanding the relations of the PRC with the outside world. Here is the formation not only of the essence and the peculiarities of the policy with respect to foreign capital, from here are the corresponding principles are disseminated and adopted throughout the entire country.

The selection of the locations of the special zones is not coincidental. A determining factor is the geographic factor, the location of the zones in the maritime provinces that are distinguished by a high level of economic development and extensive foreign relations. In so doing, at the basis of the policy of the creation of the special zones was placed, first of all, the idea of every conceivable attraction of the capital of the "khuatsyao"—Chinese who are living in neighboring countries and regions, and, above all, in Hong Kong (Syangan) and Makao (Aomyne).

It should be said that this idea is not devoid of economic sense. As a matter of fact, these entrepreneurs, who more often than not come from the southern regions of China and frequently, moreover, are connected through kinship ties with the local population, in recent years have been more than glad to invest large amounts of capital in the special economic zones, but frequently, but frequently, displaying evident national-patriotic feelings,

perpetrate purely philanthropic acts (a convincing example of which is the basically already completed construction of the large, and, very likely, the most modern university in China in the city of Shantou).

By the end of 1985, i.e., after a period equal to approximately 5 years, the special economic zones had been transformed into rather important economic formations. The territory developed during this time, both connected directly with their activity and occupied by industrial enterprises, administrative and residential housing, trade complexes and stores, hotels, etc., in 1985 came to 60 square kilometers. At this moment, foreign capital in the amount of 1.17 billion dollars (more than 25 percent of all direct investments in the economy of China) had already been invested in the zones. But it is characteristic that significantly larger amounts of capital will be invested there in the immediate years ahead, which, in essence, has already been agreed to between the sides. More than 900 new industrial enterprises that in a number of cases are using new technology are operating in the zones at the present time. In 1985 the industrial production of the zones was estimated at 4.84 billion yuans.

It is completely natural that the city of Shenzhen, which is situated literally a few kilometers from Hong Kong and is now linked with it through various forms of modern transport (railway, bus, and sea) became the first and chief special economic zone of China. The remaining three Chinese special economic zones for the time being are still very much inferior to it in terms of their dimensions and in terms of the volume of their production activity and, apparently, will play a secondary role for a long time.

Shenzhen at the present time the largest special economic zone in the world. Its proximity to Hong Kong, one of the leading financial, trade and industrial centers of the region, puts it, in comparison with the other Chinese special economic zones, in an especially advantageous position. The zone status of Shenzhen, from the very beginning, was to an extremely significant degree, linked with the idea of transforming it into an appendage necessary to Hong Kong, putting at the disposal of the latter the necessary raw material, food products, as well as land resources of which it has an extreme shortage. Shenzhen is located next to the fertile valley of the Chzhutszyan (Zhemchuzhnaya) River and close to Guangzhou (Canton)—the largest city of South China.

The basis for the creation of this zone was laid in 1980. At that time, its population, which was basically engaged in agriculture, and partly in fishing, came to only 30,000 people. In mid-1985 300,000 people, including 130,000 temporary workers from other regions of the country, were already living here.

The scale and results of the economic transformations in the indicated zone are convincingly indicated by the following data. The volume of its gross industrial in 1985

was 30 times higher than in 1978, and incomes increased by a factor of 28 (no data are available about the extent to which the foreign exchange earnings of the zone increased in 1985; in 1983 they were twice as large as in 1978). Local technical and administrative cadres on a significant scale have gone through training in the special economic zones, and also there has been an appreciable increase in the level of skills of the numerous industrial and construction workers. Here various organizational measures in regard to construction management, industry and foreign trade, the use of cadres, and the development of the system of wages and prices have been tested and perfected. Reflecting both the boom in the zone and, to a still larger extent, the state policy of attracting the most highly skilled cadres there, the average wage of state enterprise workers during 1978-1983 increased here by 133 percent. Still more significant—there was a 250 percent increase in the incomes of local peasants, for whom the special economic zone proved to be a large market with higher prices than in the other nearby regions.

Present-day Shenzhen, although comparatively small, is at the same time the most modernized city in China. Here, in districts specially assigned for this, various sectors of processing industry are represented, and above the city rise numerous high administrative and residential buildings, first-class hotels and department stores calculated for foreigners. Finally, in 1985, there were about 800 industrial enterprises of various sectors in the special economic zone: Electronics, sewing, petrochemical, machine building, etc., whereas there were only 34 enterprises in this region in 1978. In fact, Shenzhen attracts investments from abroad into all spheres of the economy, but special attention is given to those potential enterprises that utilize advanced technology. Electronics is developing most intensively and successfully in the zone. Along with foreign enterprises, more than 60 enterprises belonging to various Chinese provincial organizations have been created and are operating in this industry.

The zone has intentionally been given a secluded (*zamknuty*) character; free access to the zone is closed to the population from the other regions of China, its extensive territory is enclosed with wire entanglements, and its borders are safeguarded in an intensified manner.

In realizing the idea of special economic zones and, naturally, counting on their due yield in good time, the government of the PRC, in the person of the state organs of various levels, has gone to very significant expenditures for the creation of the necessary infrastructure there. New transportation arteries, large areas of administrative and housing buildings, a developed system of services of diverse character—all this required appropriations amounting to many hundreds of millions of dollars. The overwhelming part of these funds was

designated directly for the creation of the special economic zone and the city of Shenzhen itself. The expenditures effected there for the needs of capital construction, at the end of 1985, came to about 6 billion yuans (about 2 billion American dollars).

The transformation of Shenzhen into a modern city, which guarantees many-sided favorable possibilities for entrepreneurial activity, has already made it the most important focus of foreign capital in China. In mid-1984, 400 foreign firms were registered here. At the end of 1985, the authorities of the special economic zone had signed 2,218 agreements and contracts with foreign companies for the sum of more than 1.5 billion American dollars, of which 547 million have in fact been invested at this moment. Especially large foreign investments—450 million dollars—have been invested in the economy of Shenzhen in 1986. Important is not only the fact that during a short time Shenzhen has become transformed from a small town into a modern city with extensive foreign economic ties. From a broader, national perspective the swift complication and growth of the diversity of its entrepreneurial functions presents itself as still more important.

During the first years of existence, the special zones of foreign entrepreneurs engaged, above all, in operations with respect to the acquisition of real estate and the development of the tourist business, and the average volume of capital investments for projects was low. The last years are indicative of the rapid increase of investments in industry, as well as in general in relatively large projects.

The other special economic zones are also developing at very marked rates. Zhuhai, which 5-6 years ago was a small fishing village, has become an industrial city, which numbers dozens of new enterprises and has a modern port. The construction of the special economic zone required 1.5 billion yuans. By the end of 1985, more than 1,700 contracts for the sum of 1,756 million dollars had been signed with foreign investors, mainly from Hong Kong and Makao. The enterprises of export designation of the zone produce primarily textiles, food products, construction materials, and electronics products.

The special economic zone of Shantou—the only one among the Chinese special economic zones—grew up on completely undeveloped space. Today numerous industrial and trade enterprises operate here. The first stage of the construction of the special economic zone was completed in 1982. Since that time, the second stage is being completed, as the result of whose completion it is being planned to bring the dimensions of the zone to 50 square kilometers. More than 25 percent of the enterprises of the special zone have been constructed with the involvement of foreign capital, and its own production

constitutes 60 percent of its exports. Among the industrial enterprises operating here, the carpet factory established by the Hong Kong Shenda International Investment Company stands out. Other large enterprises of the zone produce and export modern clothes, porcelain products, and Christmas toys.

The leaders of the PRC at the same time believe that the idea of the creation of the special economic zones in the form in which they were planned has not been realized up to now and that they have completed only the initial stage of their formation. The zones face the following unresolved or only partially resolved problems in all their magnitude. First of all, right up until recently, trade and operations with respect to real estate constituted the basis of their business activity, and only beginning in 1984 an appreciable enlivening of industrial activity got under way. Nevertheless, even now trade is the main link of the operation of the special economic zones. Secondly, the overwhelming part of industrial production produced both in Shenzhen and in the other special economic zones is sold on the Chinese domestic market. The imports of Shenzhen exceed its exports, which is one more indication of the primary orientation precisely to the internal market rather than the foreign market. Thirdly, a significant part of the industrial enterprises of the zone is engaged in processing or assembly and is not based on advanced technology. Thus, in 1984 the net value of industrial production came to only 21 percent of gross production and was lower than the corresponding average nationwide indicator.

In stating the weak aspects of the special economic zones, it is impossible not to acknowledge the fact that the entire period of their existence for the time being is limited, and therefore it would be unrealistic to expect that during this short time they could achieve a great deal. Given a weak starting-base and a shortage of financial-material resources, advanced technology, and skilled personnel, it was clearly beyond their capacity to create, during a few years, modern industry and an externally-oriented economy. The basis of the formation of the special economic zone of Shenzhen, as has already been noted, was laid by the construction of the city itself and everything needed by it in the way of infrastructure and a system of services. Only in this case could the creators of the special zones call forth interest among foreign investors in capital investments. To some extent, the lack of experience in the organization of special zones was also a hampering factor since, even on the international plane, they are in general a new matter. Finally, the scale of enterprise activity in the special economic zones depends, and in the future will depend still more, above all and chiefly, on the business cycle of the capitalist world market, which since the beginning of the 1980s has been unfavorable on the whole.

The PRC leadership not long ago adopted the following formula for the development of special economic zones. The period from the moment of their establishment to the present time is regarded as initial. Now the special

economic zones, especially Shenzheng, have entered the next stage of their formation, which is characterized by the mass formation of industry there. According to the intentions of the Chinese leaders, it is precisely during these years that Shenzhen must switch over from its "domestic" to foreign orientation and make industry, and not trade, the backbone of its activity. The indications of "foreign" orientation (in contrast to domestic), as they declare to the organizers of the special economic zones, come to the fact that the capital being utilized there comes mainly from abroad; products are mainly produced for sale on foreign markets; the securing of an active trade balance is considered a mandatory condition. The decade and a half before the year 2000 are regarded as a period when the zones can be fully up to the tasks set before them.

#### ONLY FACTS

The Chinese press has published the regulations of the PRC State Council "On the Management of City and Rural Individual Enterprises in the Sphere of Industry, Construction, Communications, Transportation, Trade, Repair, and Public Catering."

According to this document, "the persons or families engaged in individual labor activity may hire up to two workers or take from three to five pupils", but only if "the employers are themselves highly-skilled specialists." The state organs of wholesale trade are charged with the obligation to supply individual enterprises with raw material, fuel and other necessary materials.

Commenting on the new legal statutes, the newspaper RENMIN RIBAO emphasizes that China now finds itself in the beginning stage of the building of socialism. During this period, only the simultaneous development of the state, collective, and individual sectors of the national economy are able to guarantee the growth of the productive forces.

Individual entrepreneurship has been in existence in China for more than a year. However, not all of its aspects were defined sufficiently clearly on the legislative plane. On the one hand, this led to the growth of the number of economic crimes and abuses, and, on the other, it created conditions for the unjustified suppression of individual initiative at the local level. The new statutes are called upon to regulate activity in this sphere. According to press data, there are almost 12.3 million private enterprises in operation in the PRC at the present time, in which altogether 18.8 million people are employed. Most developed is individual entrepreneurship in the sphere of trade and consumer services.

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In recent times, there has been an appreciable activation in geological survey work in China, which has been called forth by the aspiration to strengthen the raw material base of the country and to realize the industrial

development of the southwestern provinces at accelerated rates. During the past few years alone, a number of promising deposits of iron, manganese, tin, and tungsten ore, and other useful minerals were discovered in Sichuan, Hunan, Guizhou provinces, as well as in Guangxi-Zhuang Autonomous Region.

A characteristic feature of the geological survey work that is being conducted in the country is the increasingly broad use of advanced, scientifically substantiated methods and new equipment and the detailed preliminary assessment of the regions being investigated, which has led to the increase in the practical yield and efficiency of field work.

At the end of 1986, the country's first ground station for the receipt of geological survey information from satellites was put into operation near Beijing. In the near future, the PRC Academy of Sciences plans to create a second, similar station, which will make it possible to expand the scope of the territory being researched.

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Before the end of the current decade, it is planned to significantly expand the tea plantations and to increase the production potential of the tea industry. Priority will be given to the varieties that enjoy the greatest demand abroad.

The PRC produces several dozen varieties of tea—green, black and flower tea. The basic tea industry regions are Zhejiang, Anhui, Fujian, Hubei, Hunan, and Sichuan provinces. In 1986 the export of tea from the PRC reached 170,000 tons. Among the world suppliers of tea, the republic occupies third place, yielding only to India and Sri Lanka.

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Chinese sewing industry workers, possibly, soon will clothe the entire world, the correspondent of the Agence France-Presse reports from Beijing.

Only in 1980 did the country begin to export clothes on a mass scale, but since that time its supplies abroad are being swiftly increased. Since 1985, when they constituted a billion dollars in value, clothing is the second export article of the PRC—after oil. In 1987 its export already exceeded 1.5 billion dollars.

Textile goods with the trade-mark "Made in the PRC" are sold in more than a hundred states of the world. The industrially developed countries of Europe and the United States, where Chinese products are competing successfully with the models of the best-known international firms, have become the main market recently.

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In 196 cities of China, express mail has begun to operate, a representative of the PRC Ministry of Communications has reported. It guarantees to the customer delivery of his correspondence significantly more quickly than usually, and by a strictly defined deadline. Of course, this costs more, but, in return, for example, a letter from Beijing to Lhasa, the administrative center of the Tibet "(Xizang) Autonomous Region—across the entire country—will arrive in only 3 days, while according to the general rules the addressee receives it in 7-8 days.

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To clearly define the place and conduct of everyone in the extreme conditions of a natural disaster, to achieve the maximum reduction of its ruinous consequences, and to prevent a possible panic—these important tasks were posed in the course of drills concerning the perfection of actions by the population during earthquakes held in the city of Urumchi (Urumqi), the administrative center of the Xinjiang Uygur Autonomous Region of the PRC.

As the newspaper RENMIN RIBAO reports, involved in the drills were workers and employees, firemen and students, the forces of public order, military subdivisions and medical workers of Urumchi, which is one of the seismically active points of China.

According to the assessments of specialists, the newspaper writes, "after 9-year long stability the next period of seismic activity has begun in China, which, as is expected, will last until the end of the current century. It began in 1986, when more than 15 earthquakes of varying force were registered in the country.

At the present time, a number of regional specialized centers have been created in the PRC, which combine about 150 seismographic stations. Located in Beijing, Shanghai, Shenyang, Chengdou, and Kunming, these stations make it possible to encompass the larger part of the country's territory in the observations.

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Since the fall of last year, Beijing drivers have been permitted to almost double the traffic speed on four main highways in the capital, and on other streets from 15 to 25 kilometers per hour. As the Xinhua Agency reports, this will make it possible to significantly intensify the transportation flows in the central regions of the city. Special sensors will aid in monitoring traffic safety; they will register any violations of regulations and report this to the posts of the traffic police.

Up to now, strict speed limitations existed for motor transport in Beijing because of the crowded state of the roadways, created by the numerous bicyclists. To solve

the problem, the authorities carried out a whole complex of measures: Wide circular highways have been constructed, and a number of roads have been converted to one-way traffic.

As the agency notes, more than 380,000 motor vehicles and 6.5 million bicycles move out into the streets of the capital every week.

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"The city of museums" people rightly call the capital of the PRC. In old Beijing, which is one of the largest historical and cultural centers of the country, dozens of permanently operating expositions are concentrated,

which tell about the many-centuries-long history of China, about the heroic revolutionary struggle of its people and the traditional national trades. More than 30 million people a year visit the Beijing museums and exhibition halls. In the near future, plans call for the opening of new thematic museums here: Museums of postal service, transportation, sports, etc.

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