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WORLD ECONOMY AND INTERNATIONAL RELATIONS

No. 2, February 1983

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25 May 1983

USSR REPORT

WORLD ECONOMY AND INTERNATIONAL RELATIONS

No 2, February 1983

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ENGLISH SUMMARIES OF MAJOR ARTICLES IN 'MEMO' JOURNAL

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2,
Feb 83 pp 158-159

[Text] Turning to the experience of the Stalingrad battle D. Tomashevskiy and V. Lukov in the article "For the Sake of Life on Earth" (The Lessons of the Great Victory and World Policy Today)" review the scale and significance of the great victory of the Soviet Army in Stalingrad forty years ago, its international, political, philosophical and historical importance for mankind which has much in common with present-day reality. The unsoundness of the philosophy of international policy that prevailed before the World War II in the West and generated the "balance of fear" conception in the post-war period is quite apparent today. Turning to the historical experience of the World War II the authors maintain that any countries, recent allies included, can become the object of aggressive policy, and vice versa, states with different social systems can cooperate effectively. The authors stress that the armaments race, acquiring a new qualitative character poisons the entire atmosphere of interstate relations with reciprocal suspicions and distrust, complicates the conducting of constructive negotiations and attainment of agreements among states. In all conditions the Soviet Union has remained true to the course of peaceful coexistence, indicated realistic, constructive ways for relaxing the war menace, curbing the arms drive, deepening detente, developing broad cooperation of states with different social systems.

L. Abalkin's article "Marx's Political Economy and Methodology of the Analysis of Modern Capitalism" stresses that K. Marx's conclusions about the incurability of capitalism's ailments, its inevitable replacement by socialism and the working class's historical mission have been confirmed by history. The author reveals that the proletarian political economy is a class, party science where the class approach does not contradict with the demand for an objective analysis and fidelity to Party principles coincides with a strict scientific basis, serving as a key for the solution of many contradictions of modern bourgeois society. The article highlights V.I. Lenin's theoretical contribution to the development of political economy. It speaks about the creative development of Marxist-Leninist political economy through the collective efforts of communist and workers' parties, marxist scientists of various countries of the world who seek not only to cognize the world but fundamentally change it. The author states that the theoretical and methodological legacy of K. Marx is of invaluable importance in present

conditions when the ideological struggle has sharply aggravated. Being continually developed and enriched through new theoretical conclusions and principles this class and party science is today as urgent as at the time of its emergence. It explains scientifically the past, appreciates realistically the present and predicts the future.

I. Latyshev while analysing "Soviet-Japanese Relations Today" shows the unevenness of their development. He notes the middle of the seventies as the most fruitful period for mutual contacts and describes their results in policy, economy and cultural life. Later, the author states, these relations worsened. He exposes the reasons for their cooling and emphasizes that the USSR is not responsible for all this. The article also reveals how Tokyo deliberately tries to hamper state and economic contacts with the Soviet Union and the negative role played by the USA. The Japanese government's course is evidence of the escalation of anti-Soviet tendencies and is aimed at intensifying the country's militarization. The Soviet peaceful and constructive policy towards Japan which has been repeatedly outlined by the Soviet leaders and Soviet press is in sharp contrast with Tokyo's path of confrontation. The article notes that the radical improvement of Soviet-Japanese relations is possible provided the Japanese government abandons its unrealistic anti-Soviet policy and refuses to participate in any "sanctions" which may aggravate not only Soviet-Japanese relations but the international situation in Asia as a whole.

"U.S.A. and Canada-Contradictions of Regional Interpenetration of Capital" by A. Borodayevskiy presents a multifacet analysis featuring the monopoly integration process in North America based on considerable statistical data.

Foreign investments, the U.S. in particular, have played an important role in the economic development of Canada, especially during the postwar decades. The U.S. direct investments provided for the extensive growth primarily in Canadian extractive industries and also in manufacturing ones. American capital invasion involved the emergence of the U.S. sector in Canadian economy. It was direct investments of the U.S. that secured the commanding role of the U.S. business in some Canadian industries.

Negative consequences stemming from the U.S. capital prevalence in Canada were to be offset by the "canadization" measures. During the 1970's they took the form of governmental moves directed to establish the institutional, administrative and legislative control over the foreign business activity. However, the author emphatically pinpoints that canadization did not lead to the desintegration at the regional level. It reflects the growing maturity of Canadian economy demanding new forms of mutually favorable cooperation of equal parts. The increase of Canadian investments in the U.S.A. proves this statement.

Euromoney market represents the essential and rapidly growing part of the international loan capital market. Vyach. Shenayev in the article "Euromoney Market" figures out the structural shifts in this domain of the international economic relations, its role in the world capitalist economy.

The author examines the main factors that stipulated the emergence of the euromoney market and also the particulars of its contemporary evolution under

the conditions of the accelerated internationalization.

The author stresses the importance of the quantitative estimate of the euromoney market and formulates his approach and methodology generalizing vast statistical data. These conclusions are followed by the investigation of the euromoney institutional structure outlining the newest elements and shifts in the regional scales.

The euromoney market exerts significant impact on the capitalist reproduction at the national level. The role of the euromoney market is twofold: locating excessive capitals which lack profitable investment within the national margins it aggravates the international monetary disorder to a drastic extent weakening the efficiency of the national state monopoly regulation, sharpens the imperialist rivalry. The inter-imperialist contradictions, in their turn, prevent the establishment of the international control over the euromoney market operations.

I. Sheremet'yev "Mexico: Modern Development Trends." The article deals with an analysis of the economic and socio-political development trends of present day Mexico, examines the historical peculiarities of formation of the "Mexican" model of development and its evolution. The author reveals factors and contradictions of development of the country. The article regards Mexico's role in the world capitalist economy from the viewpoint of its economic potential. Special stress is laid on an analysis of the "oil factor" in the country's economic development. It is shown that Mexico's enormous oil incomes have enabled the country to speed up its economic growth but have not saved it from grave financial and economic difficulties and social problems. They were manifested in particular in an acute currency and financial crisis which broke out in the autumn of 1982 and in growing social tension. The article describes the reasons for the nationalization of the private banks in September 1982 and the importance of this measure in moderating the consequences of the crisis. In conclusion the author reviews Mexico's foreign-political stand on the most important international issues.

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JAPAN BLAMED FOR UNDERMINING GOOD RELATIONS WITH USSR

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2, Feb 83
pp 27-36

[Article by I. Latyshev: "Soviet-Japanese Relations at the Present Stage"]

[Excerpt] Recent years, particularly since the winter of 1979-1980, have been characterized by an accumulation of artificial obstacles to the development of the two countries' business relations, delays in the exchange of visits of politicians and statesmen and an intensification of anti-Soviet campaigns on the part of Japan's ruling spheres.

Government circles are attempting to persuade the country's public that the deterioration in mutual relations occurred through the fault of the Soviet side; the dispatch of a limited Soviet troop contingent to Afghanistan and some Soviet "military threat" allegedly forced Tokyo to abandon the maintenance of good relations with the USSR. Then to this were added obscure references to events in Poland. But such versions are in howling contradiction with the actual state of affairs. The facts testify that the present difficulties in Soviet-Japanese relations were a consequence of the change in the policy of Tokyo officials, who at the end of the 1970's took the path of abandoning the development of good-neighborliness with the Soviet Union in the name of goals alien to the interests of the Japanese people and the cause of peace in the Far East.

In recent years a negative influence on Soviet-Japanese relations has been exerted by, inter alia, the so-called "sanctions" adopted in respect of the Soviet Union, including actions aimed at winding down state and economic contacts with the Soviet Union. At the same time Tokyo has shelved a draft cultural agreement which was just about ready for signing. The Japanese side has also halted preparations for the next working-level diplomatic consultations.

The "sanctions" included increased restrictions on exports to the USSR of computers, semiconductors and other electronic apparatus, oil-drilling equipment and other commodities and a ban on the sale of new "knowhow," technical information and modern equipment models. In parallel the brakes came to be artificially applied to the realization of plans agreed earlier for cooperation and other commercial transactions requiring credit support on the part of government finance authorities. Also among the same "sanctions" was the government's

demonstrative pressure on athletes for them to renounce participation in the Moscow Olympics in the summer of 1980.

When mentioning the "sanctions," the Japanese press makes it understood, as a rule, that they were adopted not on the initiative of Japan itself but rather under U.S. pressure. There is, of course, some truth to this: it is common knowledge that certain anti-Soviet statements and gestures of the Japanese Government represented to a certain extent political tribute to Washington. But all the more irritating is the harm that has been done to the cause of Soviet-Japanese cooperation, and not so much to the interests of the Soviet side (which, as is known, is interested in good-neighborly relations with Japan and does not conceal this), furthermore, as to the interests of a significant part of the Japanese population. The losses sustained by, inter alia, business circles, which have lost a whole number of Soviet orders, are perfectly obvious. "The sanctions have not had the result," ASAHI wrote in a leading article, "the United States was hoping for: on the contrary, they have led to increased disagreements in the United States' relations with the West European countries and also with Japan.... It has to be acknowledged that trade with the Soviet Union is of greater significance for Japan and West Europe than for the United States."*

While mentioning the active role of the United States in urging Japan onto the path of anti-Soviet policy and in the undermining of Soviet-Japanese good-neighborliness we cannot, however, close our eyes to the fact that in Japan itself in recent years there has been a stirring of the forces which aspire to confrontation with the USSR. Evidence of the Japanese Government's slide to the path of an openly anti-Soviet foreign policy, in other words, to the path of diplomatic confrontation with the Soviet Union, was the joint communique signed on 8 May 1981 in Washington as a result of talks between U.S. President R. Reagan and Japanese Prime Minister Z. Suzuki. The communique, particularly its second point, made perfectly clear Tokyo's intention of performing a prominent role in the system of the United States' anti-Soviet political and military strategy.** The Washington meeting clearly revealed the intention of Japanese government circles to seek and find, in spite of their previous declarations, grounds for confrontation with the Soviet Union not only in the sphere of bilateral relations but on global issues also.

The Japanese Government's policy aimed at an increasing upward spiral of budget military spending and an increase in the armed forces' combat might also testify to the buildup of anti-Soviet trends. Operating together with the United States, government circles are spreading with a persistence worthy of a better application the fraudulent myth of an imaginary "Soviet military threat," which in reality has not existed, does not now and cannot exist, if only for the reason that the Soviet Union has no political, economic or territorial claims against Japan and wishes, on the contrary, to live in peace and good-neighborliness with it. The myth of the "Soviet military threat" and intimidation of the country's population therewith are being employed constantly by the leaders of Japan's National Defense Agency. The white papers they put out are designed to justify the policy of a buildup of the combat capability of Japan's "self-defense forces," a broadening of military cooperation with the United States

* ASAHI EVENING NEWS 8 September 1982.

** See Ibid., 9 May 1981.

and the indefinite presence of American forces on Japanese territory.* The "Soviet threat" myth has today become a convenient screen for concealing the dangerous militarist designs of the most bellicose groupings in the country's ruling camp.

Individual representatives of the Japanese public sometimes express the opinion that the armament plans should not alarm Soviet people inasmuch as they are "an internal matter of the Japanese" unrelated to Soviet-Japanese relations. But we cannot agree with such an opinion if only for the reason that Japan's military doctrine declares as the sole potential enemy the Soviet Union, and, consequently, all military preparations are made with a view to conflict with it.

The same may also be said of the Japanese Government's decisions facilitating the country's further use as the United States' main military beachhead in the Far East. In particular, the recent government consent to the deployment at the U.S. military base in Misawa of 50 F-16 fighter bombers capable of bombing adjacent territory of the Soviet Union serves as nothing other than a new manifestation of hostility and ill intentions in respect of the Soviet Union. Both political circles and the press of Japan regard this step as an attempt to change in its favor the evolved military balance in the Far East and establish its superiority in the air space adjacent to the Soviet borders.

Japanese officials' advancement in recent years of illegal, absurd claims to the Soviet Union have been contributing to the complication of relations with the Soviet Union. A new point in this campaign was, inter alia, the Cabinet of Ministers' decision, adopted in January 1981, on inserting in the country's state calendar the so-called "Northern Territories Day," which is to be commemorated annually on 7 February. This day has come to be used as the official pretext for the organization throughout the country of mass meetings and demonstrations whose purpose is to arouse anti-Soviet sentiments among the population and mobilize credulous people for support for territorial claims which are as groundless as they are unrealistic. The same goal was also pursued by the government decision on changes to school textbooks designed to foist on the younger generation views on the history of Russo-Japanese and Soviet-Japanese relations convenient to the ruling circles and also on the allocation of special budgetary resources for stimulating the activity of the "champions of territorial demands," particularly on the island of Hokkaido, which it is planned to turn into the most important base of the revanchist, anti-Soviet forces.** Encouraging such actions, Z. Suzuki set forth in a government statement the concept according to which Japan rules out the possibility of maintaining relations of friendship and cooperation with the Soviet Union until the Soviet side satisfies Japan's territorial claims.*** This pronouncement testified to an endeavor to make cooperation of the two countries, economic included, dependent on Tokyo's unfriendly political course and to block the development of business contacts.

* See "Boey khakuse. Seva 56 neplan" (White Paper on Defense, 1981), Tokyo, September 1981, pp 107-108.

** See HOKKAIDO SHIMBUN 14 August, 16 August 1981.

*** See ASAHI EVENING NEWS 5 January 1981.

Japanese diplomacy's provocative appeals to the map publishers of foreign countries which signed the San Francisco Peace Treaty for changes to the maps which they publish and for the future designation of certain Soviet Kurile Islands as part of Japanese territory were also a means of spurring hostility toward the Soviet Union.* The Soviet Union assessed such a maneuver as undermining postwar international agreements consolidating the borders which took shape as a result of the rout of the aggressor countries--agreements sealed by the blood of millions of people who fell during World War II in the struggle against German fascism and Japanese militarism. The "inspection trip" which the Japanese Prime Minister made for the first time in September 1981 on a patrol craft in direct proximity to the Kuriles** was an open challenge to our country, which developed, essentially, into an anti-Soviet demonstration.

In sharp contrast to Tokyo's present course toward confrontation is the Soviet position in respect of Japan, which is imbued with the spirit of love of peace and constructiveness. While rejecting the groundless attacks of the Japanese side and its illegal territorial claims the Soviet Government and press at the same time are displaying restraint in their statements and evaluations of the Japanese position and emphasizing their readiness for a constructive dialogue aimed at the expansion of business relations between the two countries.

The USSR Foreign Ministry statement of 16 February 1981 to Japan's ambassador in Moscow, T. [Uomoto], was sustained in just such a spirit, for example. Together with a repudiation of the unsubstantiated territorial claims and condemnation of the irresponsible fuss surrounding "Northern Territories Day" the statement expressed the Soviet Union's reluctance to be dragged into a confrontation with Japan and its readiness to conduct a constructive dialogue aimed at the regulation of relations on the basis of the signing of a peace treaty. It was emphasized, in particular, that the USSR "was and remains a supporter of a firm treaty basis being imparted to Soviet-Japanese relations."

N.A. Tikhonov, chairman of the USSR Council of Ministers, pronounced himself in favor of the development of Soviet-Japanese good-neighborliness on a treaty basis in his interview with ASAHI in February 1982. New confirmation of the Soviet Union's sincere aspiration to the organization of constructive relations with Japan was L.I. Brezhnev's pronouncement in his speech in Tashkent on 24 March 1982. "We would like to have reliable relations of good-neighborliness, mutually profitable cooperation and mutual trust," he observed in the speech. "We do have mutually profitable cooperation even now, it is true, but far from as extensive as it could be. And even less mutual trust, unfortunately.... I repeat, as before, we remain supporters of neighborly relations and the broadest mutually profitable cooperation, on the basis of reciprocity, of course." Developing this thought in his speech at the UN General Assembly 37th Session in October 1982, USSR Foreign Minister A.A. Gromyko declared: "The Soviet Union is ready to seek with all states of the Far East paths leading to the strengthening of the security of the situation in this region. Not so long ago we proposed that the experience of the implementation of certain measures for strengthening mutual trust in Europe, which has commended itself, be examined

* ASAHI SHIMBUN 13 June 1981.

** THE JAPAN TIMES 9 September 1981.

with reference to the Far East. The Soviet Union is ready on a practical plane to discuss this question with the participation of the PRC and Japan."*

The USSR's peace-loving approach is also reflected in the material of the Soviet press. While notifying the public of Japan's military preparations and the stirring in this country of anti-Soviet forces and champions of the speediest armament the Soviet mass media nonetheless always advocate good-neighborly relations and their development on the basis of the businesslike cooperation and friendship of the two peoples. No Soviet newspaper and no Soviet public figure or journalist, however disturbed he may be about Japan's military preparations, ever descends in his speeches to cold war positions, and we have not had and do not have appeals for a buildup of the Soviet Union's military might in the expectation of combat operations with Japan, insulting attacks against its leaders or hysterical demonstrations capable of inciting Soviet people's hostility toward the Japanese people. Soviet press material is invariably imbued with respect for the oriental neighbor and a spirit of peaceableness and good-neighborliness.

A comparison of the Japanese and Soviet positions clearly shows that responsibility for the present deterioration of mutual relations is borne not by the Soviet Union but the ruling circles of Japan, who prefer, by virtue of their political military relations with the United States and also other considerations, to introduce to the relations of the two countries that same cold war spirit which currently permeates the foreign policy of the R. Reagan administration. The impression is created that the majority of the ruling party's present leaders is not disposed toward an improvement in Soviet-Japanese relations and intends to refrain from any specific diplomatic steps aimed at a recuperation thereof, a broadening of contacts and a strengthening of mutual trust. The foreign policy calculations of a number of influential Japanese leaders are built, to judge by everything, on the supposition that cool and strained relations with the Soviet Union will last for a long time. Certain figures even express the assumption that Soviet-Japanese relations will not improve until the United States abandons the policy of global confrontation with the Soviet Union.

What has been said does not, of course, mean that all Japan's leading figures view the world through the eyes of the R. Reagan administration. As far as their public pronouncements containing attacks on the Soviet Union are concerned, many of them go along with this merely to please Washington and get around the American "hawks," who threaten to teach Tokyo a "lesson" for the trouble caused Americans in the course of the "trade war" of the two centers of imperialism. The Japanese Government's unfriendly gestures toward the USSR represent, as some Japanese politicians believe, a kind of political compensation paid to the United States for the influx of Japanese goods into the United States' domestic market and the protectionist restrictions on imports of American agricultural products.

However, it should be realized that a policy of unthinking connivance at Washington's anti-Soviet military preparations--whether Japan's ruling circles

* PRAVDA 2 October 1982.

wish it or not--is fraught with great complications. To whom is it not clear that Washington's gamble on an unrestrained arms race is nothing other than an irresponsible playing with fire. The impression is created that Japan's statesmen who are inclined to indulge the United States' adventurist policy of the achievement of military superiority over the Soviet Union are displaying dangerous political myopia.

It should be noted that the anti-Soviet trends in Japan's government spheres reflect not only their endeavor to ingratiate themselves with Washington; certain conservative groupings also derive special political benefits from anti-Sovietism. Anti-Sovietism permits them primarily to "justify" to the public the policy of the increasingly great buildup of the country's military might. It is not fortuitous that it is primarily military circles which are playing on anti-Sovietism. The Japanese press has drawn attention to the fact that the National Defense Agency is deliberately exaggerating the size of the Soviet armed forces in order to obtain consent for an increase in budget expenditure.*

Further, anti-Sovietism makes it possible to inflate nationalist, disguised as "patriotic," moods in the masses, which is to lead ultimately to a strengthening of the conservatives' positions in their confrontation with the democratic opposition. Great-power chauvinism, which has increased anew in recent years in certain political circles, represents favorable soil for the cultivation among the population of anti-Soviet prejudice and hostility toward our country.

However, Tokyo's position is being influenced not only by the opponents of good-neighborliness in the person of certain LDP leaders, high foreign ministry officials and leaders of the National Defense Agency (not to mention American statesmen) but also political forces which are in favor of good relations with our country.

Among the latter are sensible representatives of the business world who are interested in maintaining mutually profitable contacts with the Soviet Union--a reliable and promising trade partner. Many of them rightly believe that it is mistaken to proceed from the fact that Japan gains less from the development of economic relations with the USSR than the Soviet side. They approach cooperation with the USSR more carefully and seriously than some politicians and would like these relations to progress and not become degraded. This is a positive factor of considerable importance influencing Tokyo's foreign policy course. Those who, to please the United States, are prepared to reduce to nothing the positive results achieved by both countries over quarter of a century are forced to reckon with it.

It was precisely under the influence of the country's business circles that the government, in spite of its own "sanctions" policy, agreed to the signing of a number of bilateral agreements designed to promote the further realization of large-scale projects of the joint development of the natural resources of Siberia and the Far East. Importance for the preservation and development of trade contacts was attached, for example, to the signing in the summer of 1981

* See ASAHI EVENING NEWS 16 January, 17 January 1981.

of a 5-year agreement on commodity turnover and payments for the period 1981-1985. And a number of the "sanctions" proclaimed by the government in the trade sphere has not been put into practice. Testimony to this is the comparatively stable level of reciprocal commodity turnover: whereas in 1980 it constituted over R2.7 billion, in 1981 it was in excess of \$3 billion, although Japan's share of Soviet foreign trade declined from 2.9 percent in 1980 to 2.8 percent in 1981.* Also indicative was the decision made in October 1982 by leaders of the business world to send to Moscow a representative delegation headed by Nagano, chairman of Japan's Chamber of Commerce and Industry, for participation in a Soviet-Japanese economic conference to discuss prospects of the two countries' business cooperation.

The facts thus indicate that in Japan's ruling circles there is not a unity of view and a simple approach to questions of Soviet-Japanese relations and that Tokyo's policy of confrontation with the Soviet Union is encountering serious obstacles.

A restraining influence on the assertiveness of the champions of confrontation with the Soviet Union is also being exerted together with the business circles by certain Japanese press organs, which reflect in this way or the other the sentiments of different strata of the population. The Z. Suzuki government's demonstrative support for Reagan's anti-Soviet policy is being sharply criticized in editorial articles of such major papers even as ASAHI and MAINICHI, which can in no way be suspected of "pro-Soviet sympathies". They assess the policy of following unquestioningly in Washington's steps and of confrontation with the Soviet Union as a policy detrimental to Japan's national interests. Thus, for example, on 1 June 1981 ASAHI wrote in a leading article devoted to the results of Japanese-American talks in Washington: "We do not believe it necessary for Japan to be fully in agreement with the United States in all spheres of military and foreign policy merely because both nations believe in the same ideals. We do not understand why different views of freedom cannot exist in the world. From our viewpoint, it is undesirable to unfailingly regard any nation either as our enemy or ally. And it is perfectly natural that Japan, which is a neighbor of the Soviet Union, should do everything possible not to create dangerous enemies for itself."** A MAINICHI DAILY NEWS editorial article devoted to the results of the meeting of Western leaders in Ottawa (July 1981) observed: "The greatest attention should be paid to dialogue with the Soviet Union and also to efforts for general disarmament.... We do not understand why, instead of this, President Reagan is seeking confrontation with the Soviet Union."***

A fettering influence on the champions of anti-Sovietism is also being exerted by progressive peace-loving forces in the person of workers of trade unions and various public organizations uniting the supporters of Japanese-Soviet friendship. Recently, for example, despite the general stagnation in the development of Soviet-Japanese relations, a movement for the building of houses of friendship with the Soviet Union has been spreading successfully in the north of Japan

* "The USSR's Foreign Trade in 1981. Statistical Collection," Moscow, 1982, pp 12, 15.

** ASAHI SHIMBUN 1 June 1981.

*** MAINICHI DAILY NEWS 25 July 1981.

(particularly on Hokkaido). Such houses exist in Sapporo, Kushiro, Wakanai, Hakodate and Rumoi, and, furthermore, their construction and upkeep are paid for entirely by the Japanese side. Business circles, the intelligentsia and the student youth are participating actively in the activity of the houses of friendship.

The third Soviet-Japanese "roundtable" conference, in which more than 400 representatives of the public participated, was held successfully in Tokyo in April 1982. In the Soviet delegation was a number of executives of state and public establishments. Also highly representative was the Japanese delegation, which included many members of parliament from the ruling LDP, the Socialist Party, the Komeito Party and the Democratic Socialist Party.

A thirst for good-neighborly relations and a deepening of mutual understanding with the Soviet people has also been manifested in friendly visits to our country by representatives of the most diverse strata of the Japanese public. In 9 months of 1982 alone the House of Friendship With Peoples of Foreign Countries in Moscow was visited by approximately 3,000 guests from Japan altogether. Several delegations and "friendship boats" visited Sakhalin last year. Among recent guests from Japan were, for example, 176 members of the Association of Former Japanese POW's, a delegation of the influential Rissho Kosei-kai Buddhist sect, a group of members of the Parliamentary Association for Promoting International Detente and so forth. Touching on the reasons which prompted them to visit the Soviet Union, they all emphasized in their public statements the need for an improvement in Soviet-Japanese relations as a most important factor of strengthening peace in Asia.

The cooperation of the public of the two countries in protecting Japanese-Soviet relations against the onslaught of bellicose anti-Soviets is producing certain results. Despite the restrictions on mutual relations at the state level, numerous threads of business and public contacts are preserved to this day. And however fine these threads of mutual interest and mutual understanding may be individually, they continue altogether to permeate the two countries' relations, binding them and preventing a rupture.

And even at the state level the Soviet Union's enemies are not succeeding entirely in disrupting the relations established earlier. Whatever the subjective sentiments of Japanese politicians and diplomats responsible for the development of relations with our country, the circumstances are forcing them to display in individual instances a readiness for negotiations. K. Yanagiya, deputy foreign minister of Japan, visited Moscow at the start of 1982 within the framework of Soviet-Japanese consultations between the USSR Foreign Ministry and the Japanese Foreign Ministry at working level; the consultations enabled the two countries to define, following a long interval, each other's positions on a number of issues of interest to them. Fishing negotiations were conducted successfully in the spring of 1982. There were visits to Japan by a number of responsible Soviet representatives, a result of which was the achievement of accords between government departments of the two countries on individual specific issues of business and cultural relations. In June and October 1982 in New York, during the special and regular UN General Assembly sessions, meetings which had been agreed in advance were held between USSR Foreign Minister

A.A. Gromyko and Japanese Foreign Minister E. Sakurauchi. In the course of talks between the USSR and Japanese foreign ministers in Moscow on 15 November 1982 both sides noted that the development of Soviet-Japanese relations on the paths of good-neighborliness and mutual cooperation corresponds to the interests of the peoples of the Soviet Union and Japan and the cause of peace worldwide.

There are no objective reasons for Soviet-Japanese confrontation. The peoples of the two countries are equally interested in peace and the stability of the situation in the Far East. More, the Soviet side invariably expresses a readiness to organize a constructive dialogue and expand contacts at government level.

As far as the Soviet Union is concerned, for its part there have not been nor are there obstacles to the normalization of relations with Japan. The Soviet side invariably proceeds from the fact that bilateral businesslike cooperation, scientific-cultural relations and the broad contacts of the public of the two countries correspond to the needs and requirements of their peoples and that they can and should be expanded, given mutual assistance.

However, a fundamental improvement in Soviet-Japanese relations will be possible, to judge by everything, only when the Japanese Government abandons the present unrealistic anti-Soviet policy and is guided by a sincere aspiration to good-neighborliness with our country. Japan's renunciation of participation in any "sanctions," which can only complicate Soviet-Japanese relations and the international situation in Asia also, would undoubtedly contribute to an improvement in Soviet-Japanese relations.

There would be great significance in the Japanese side's consent to the discussion of realistic, specific ways of leading Soviet-Japanese relations out of their present stagnant situation. Such ways, to judge by everything, should be sought in the realization of the constructive initiatives and proposals which have been presented recently by the USSR and which were discussed at the above-mentioned "roundtable" conference. It is a question of, inter alia, the conclusion between the USSR and Japan of a good-neighbor and cooperation treaty. As USSR leaders have emphasized repeatedly, the Soviet draft of the corresponding treaty is only a basis for dialogue, in the course of which mutually acceptable amplifications and changes could be made from both sides.

The Soviet proposal on the formulation of measures of mutual trust designed to dispel the atmosphere of tension, uncertainty and apprehension in which the Far East countries have been living for many years also evidently merits more attention from the Japanese side than hitherto. Attention was drawn to the Japanese Government's evasive position on this question in the above-mentioned speech of the Soviet leader in Tashkent on 24 March 1982, which pointed out in this connection: "...To be honest, it is difficult to understand what moral right certain figures in Tokyo have to tell their people and the world about the 'apprehensions' allegedly caused them by this action of the USSR or the other if they do not even wish to hear about our proposal (made a year ago now) for the discussion of mutual apprehensions and disquiet and the reaching of agreement on measures to strengthen trust acceptable to both sides. After all,

our proposal on confidence-building measures in the Far East by no means necessarily presupposes immediately a collective assembly of all countries of this region. It is perfectly possible to initiate movement along this path on a bilateral basis also, between the USSR and Japan, for example. What is bad about this? Nothing."* It has, however, to be acknowledged that in the time that has elapsed since then this positive initiative has not been fittingly echoed in Japanese government circles.

Japan's implementation of its government's as yet merely declarative promises concerning renunciation of the production, storage and importation of nuclear weapons would also contribute to the cause of peace in the Far East. Japan could be sure on this issue of the understanding and support of the Soviet Union, which, as is known, will never use nuclear weapons against states which have renounced the production and acquisition of these weapons and which do not have such on their territory. In addition, the USSR is ready to conclude on this score a special agreement with any nuclear state also. In the opinion of Soviet leaders, there are no obstacles to beginning an exchange of opinions on this question with Japan also, both within the framework of the proposal concerning negotiations on confidence-building measures in the Far East advanced at the 26th CPSU Congress and in any other form acceptable to both sides.**

The events of recent months again confirm the need for Japanese ruling circles' abandonment of the policy they have adopted as per Washington's example of freezing Soviet-Japanese contacts. The Soviet public is confident that realism and wisdom will prevail over prejudice and futile illusions and that Japan's pursuit of an independent policy in relation to the Soviet Union would create favorable prerequisites for the cultivation of grains of good-neighborliness in mutual relations between our states. The peoples of both countries need peace, mutual respect and friendship and not alienation, distrust and hostility. In order to proceed in this direction it is necessary to look not back but forward and not to the past but to the future.

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* PRAVDA 25 March 1982.

** See PRAVDA 2 March 1982.

RECENT MEXICAN ECONOMIC PROBLEMS SURVEYED

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[Article by I. Sheremet'yev: "Mexico: Current Development Problems"]

[Excerpts]

I

Prior to the 1970's it was customary to talk about Mexico as one of the most stable Latin American countries in economic and currency-finance respects. The relatively stable economic growth rate, a certain dynamism of the production sphere and the industrial sector, particularly the rate of inflation, which was moderate in terms of the continent, and significant currency accumulations, which made it possible to maintain unchanged the free exchange of the national unity of currency--the peso--for dollars and other "hard" currencies, served as the grounds for this. In the capitalist world's financial circles the country enjoyed the reputation of one of the most solvent recipients of loans in the developing world.

Mexico scored considerable successes in this period. Thus its gross domestic product in the 1940's increased 38 percent, in the 1950's 26 percent and in the 1960's a further 46 percent.⁶ Its development rate was higher than in many other capitalist countries. As a result Mexico's share of the total product of the countries of the region grew appreciably. In 1950 it constituted 19 percent, in 1960 some 20 percent and in 1970 some 23 percent.⁷ Currently it is approaching 25 percent. Having overtaken Argentina in 1960, in terms of this indicator it moved confidently into second place behind Brazil.

The national economy underwent considerable changes. The basis of these was primarily the accelerated growth of processing industry and also the production infrastructure. Having bypassed the initial stages of import-substituting industrialization connected with the development of the local production of industrial consumer goods, Mexico has embarked on a period of development when increasingly great significance is attached to the production of producer goods. In the new structure of industry a definite role is being acquired by such sectors as petroleum refining and petrochemistry, ferrous and nonferrous metallurgy, general and, particularly, transport engineering, construction materials industry, electrical engineering and others.

The traditional sectors--the food and flavoring, textile, garment, leather footwear and other sectors--were also considerably retooled. There was a rise, thanks to this, in the level of the country's self-provision with industrial commodities in mass demand.

The industrial sector's share of the gross domestic product rose from 28 percent in 1960 to 37 percent in 1980 (it then constituted on average for the region 32 and 34 percent).⁸ In 1980 Mexico began to account for over one-fourth of Latin America's industrial product.

Agricultural production also developed quite steadily, in general, prior to the 1970's. It doubled between 1940 and 1950, in the next decade the increase amounted to 80 percent and from 1960 through 1970 the increase was 53 percent.⁹ The average annual rate of development of the agrarian sector corresponded to or even exceeded somewhat the natural increase in population. By the end of the 1960's Mexico had succeeded in perceptibly raising the level of self-provision with food commodities and agricultural raw material and at the same time in increasing its export potential (thanks to grain, cotton, cane sugar, coffee, tomatoes, fruit and also meat).

State measures in this sphere--irrigation and road-transport construction, the policy of developing outlying areas, an increase in the production and supplies of artificial fertilizer, an extension of agricultural credit, the organization of testing-plant-breeding stations for the cultivation and introduction of new, high-yield seed varieties and so forth--also contributed to the dynamic development of agricultural production together with the agrarian transformations, which accelerated the development of commodity-capitalist relations in the countryside. The following data, for example, convincingly point to the influence of the "green revolution" on the state of agricultural production in the country: from 1950 through 1975 the yield of corn increased 75 percent (from 7.2 quintals per hectare to 12.6), wheat almost fourfold (from 9.1 to 36), beans by a factor of 2.3 (from 2.6 to 5.9), rice 74 percent (from 17.6 to 30.6) and so forth.¹⁰

Finally, we should also mention such a very important factor which contributed to Mexico's "economic surge" in that period as the large-scale state investments in the further development and improvement of various sectors of the production infrastructure and, in particular, power engineering and transport.

In the currency-finance sphere the moderate rate of increase in commodity prices on the domestic market (2.5 percent on an annual average in the period 1960-1970--one of the lowest indicators in the region for those years)¹¹ and the constant free rate of exchange of the national monetary unit in relation to the dollar, which constituted right up to the fall of 1976 12.5 pesos, served as indicators of the favorable situation.

Nonetheless, as the events of the 1970's showed, the results of Mexico's foregoing development proved far from straightforward. The "economic surge" also had negative aspects. Internal and external contradictions built up in hidden fashion and ultimately burst out and revealed the very profound crisis of the "Mexican model".

A manifest movement of the ruling circles' socioeconomic policy to the right was revealed in the 1940's, particularly with the assumption of office of the "neomillionaire" M. Aleman's administration (1946-1952). It was expressed in a departure from the policy of an intensification of transformations in the countryside, encouragement of the activity of private capital both in agriculture and in other sectors of the economy, the expansion of cooperation with foreign capital and with the ever increasing use of external credit and loans for development needs. Agrarian legislation was changed to the detriment of the "ejido" (communal) sector and in favor of the protection and expansion of the private sector. The breakup of the large-scale estates essentially came to a halt and was replaced by a policy of developing available land in the outlying areas. The system of individual use of plowland came to be encouraged in the "ejido" sector, which led to the weakening and disintegration of many of the commune-cooperatives which had been created in the 1930's period on land which had been expropriated from landowners and foreign companies.¹²

The creation of medium-sized and large-scale farms for the cultivation of plantation export crops (sugar cane, cotton, coffee and others) and also for breeding livestock was permitted in the private sector. Such farms began to obtain increasingly large financial and technical support on the part of the state within the framework of so-called integral agrarian reform, which substituted for the transformations in land ownership relations. As a result there was an increase in the private sector's pressure on the "ejido" sector, the increased concentration of land ownership and agricultural production on a private-capitalist basis and an acceleration of the process of differentiation of the peasantry and the erosion of manpower "surpluses" from the agrarian sector.

The change in the socioeconomic course was also reflected in the nature of the public sector's relations with foreign and big private national capital. From a means of limiting and counteracting the imperialist monopolies, which it was in the 1930's, the public sector became a support of accelerated private capitalist development. Special incentive legislation, on the basis of which private companies investing capital in certain "priority" sectors of the economy (primarily in industry) obtained from the state big financial-economic privileges and advantages, operated in this same direction.¹³

Of great interest from the viewpoint of an evaluation of the positions and nature of the mutual relations of the state and private capitalist structures in the country's economy is the information adduced in the study of the well-known Mexican economists A. Aguilar and F. Carmona. In 1967 fixed capital in all spheres of the economy (including trade and services) was assessed at 566 billion pesos (approximately \$45 billion at the exchange rate at that time). The public sector here accounted for 178 billion or 31.5 percent and the private capitalist sector for 388 billion or 68.5 percent. Commenting on these figures, A. Aguilar writes that "...although the government is intervening in the economy increasingly extensively, as should be the case with a state-capitalist regime, the bulk of the means of production remains in the hands of the capitalists inasmuch as ultimately it is they who are the ruling class and it is to them that political power and economic wealth belong in the evolved social system."¹⁴

It is indicative, for example, that the public sector's share of the summary profits of the country's 60 most profitable companies in 1973 constituted only 22 percent, while the share of foreign capital constituted 45 percent and that of national private capital 29 percent.¹⁵ As a leader of the National Financier state finance-credit company once acknowledged, in a whole number of instances public sector enterprises "sell their products and render services at prices which are lower than the costs of production or lower than world market prices, although such indirect subsidy is far from always justified from the social viewpoint."¹⁶

The economic growth in Mexico and its "surge" forward was also accompanied by foreign capital's intensive penetration of the national economy. The curve of direct capital investments in the Mexican economy began to take an increasingly steep upward turn in the 1940's: in the said decade their volume increased 25 percent, in the 1950's 90 percent, in the 1960's by a factor of 1.6, and, finally, in the following decade in the first 8 years alone they more than doubled, having reached \$6 billion in 1978.¹⁷ Having risen in terms of level of economic development to second place in Latin America, Mexico at the same time found itself in second place behind Brazil in the scale of foreign capital investments in the national economy.

Although West European and also Japanese capital has recently been penetrating the country increasingly actively, the dominating positions here continue to be occupied by American transnational corporations (over 60 percent of total foreign capital investments). The main sphere of their activity has been processing industry. Thus in 1980 of the 3,471 large enterprises in which American capital participated directly, 1,858 operated in precisely this sector. At the same time U.S. companies are establishing themselves increasingly persistently in other spheres of the economy also--in trade (where 740 enterprises with the participation of American capital operate) and services (678).¹⁸

Enjoying trust in the financial circles of the capitalist world, Mexico took advantage, together with the attraction of private capital, on an increasing scale of foreign loans and credit, despite the fact that the terms on which they are granted were becoming increasingly unfavorable. The country's foreign debt snowballed and its payments to the account of foreign companies' dividends, credit interest and other financial obligations reached critical proportions. Such important indicators of the extent of financial dependence as the ratio of foreign debt payments to revenues from commodity exports or the level of currency reserves compared with expenditure connected with the import of commodities were worse for Mexico at the end of the 1970's than for many other Latin American countries. The first indicator (ratio of payments to exports) reached 65 percent, while for all countries of the region it constituted a little more than 31 percent. The ratio of currency reserves to imports, on the other hand, constituted 12 percent, and over 32 percent in the region as a whole.¹⁹

A symptom of the bad state of the "Mexican development model" was the devaluation of the national monetary unit in the fall of 1976. For the first time in the past 20-plus years the peso's dollar exchange rate was lowered appreciably (almost 40 percent).

True, the devaluation of national currencies in Latin American countries, accompanied, as a rule, by an undulatory inflationary process, is a customary phenomenon. A whole number of states could be named which are forced to resort to this measure literally from year to year in order to somehow make ends meet in the complex settlements with the imperialist countries--their main trading partners and creditors. Chain devaluations are characteristic of, for example, Argentina, Brazil, Colombia, Chile and other countries, which suffer chronically from balance of payments imbalances, a huge foreign debt and the disarray of state finances. Mexico had, however, for a long time constituted an exception to this rule.

II

Mexico's position improved somewhat in the latter half of the 1970's. Its economic growth rate, which had declined sharply in the middle of the decade (to 3-4 percent), increased to 8-9 percent, considerably exceeding the average indicator for the region of more than 5 percent.²⁰ The decisive role here was performed by the "oil factor"--the unprecedented, almost fantastic surge of revenue from oil (and, partially, gas) exports. The abundant flow of petrodollars proved in some way to be like "manna from Heaven" for the country, alleviating for a time its extremely dire financial situation.

At the basis of the oil boom were primarily the discovery within the confines of national territory and its shelf (in the Gulf of Mexico) of vast new oil and natural gas deposits and the rapid buildup of their recovery rate and also the spasmodic upturn of the price of "black gold" in connection with the energy crisis which erupted in the capitalist world. Thanks to this, there was a sharp increase in production in oil-production and petrochemical industry, which made it possible, inter alia, to appreciably improve the structure of the trade balance in the entire group of petroleum products.

In numerical terms the oil boom and its prerequisites appear thus: in the period 1970-1981 assayed ("proven") oil reserves in Mexico increased from 0.8 billion to 10 billion tons. In terms of the first indicator it is now second only to Saudi Arabia in the nonsocialist world, whose assayed reserves constituted at the start of 1982 from 24 million to 116 million tons.²¹ In Latin America it began to outdistance somewhat the region's "biggest oil" country--Venezuela--and in the nonsocialist world took third place (behind Saudi Arabia and the United States). Finally, it has become the fifth country (behind the United States, the FRG, Britain and Canada) in terms of refinery capacity.

Oil exports increased in the period 1970-1981 from 3.3 million to 55 million tons. In this same period the price of a ton of Mexican oil increased twenty-fold--from \$12 to \$240 and the currency proceeds from oil exports from \$40 million to \$13,246,000,000.²² This item came to account for no less than four-fifths of all export receipts.

The influx into Mexico of huge sums of petrodollars in the latter half of the 1970's increased foreign creditors' trust in it: together with the oil revenue it began on an increasing scale to take advantage of foreign loans, despite the fact that the terms on which they were granted (in terms of the repayment times and cost of the credit) were becoming increasingly burdensome.

The oil boom sowed many illusions in the country's leading circles determining its economic policy. Wide-ranging programs for the stabilization and further development of the national economy were drawn up and appropriations for the insurance funds of certain categories of workers (civil servants, in particular) and housing construction and the provision of cities with amenities and also the subsidies to organizations of the state system supplying the population with food products at "fixed" prices were increased.²³

A reflection of the big hopes connected with the "oil factor" was the 1979-1982 National Plan of Industrial Development, whose realization was tied directly to the intensive exploitation and use of the oil resources. Solution of the problems of total and partial unemployment and a rise in Mexicans' living standard on the basis of high economic development rates were proclaimed as the plan's main goals. It was planned for their accomplishment to expand the production of producer goods; strive for the rational location of capital investments, channeling them primarily into the coastal and border regions; and so forth.

The plan was viewed as the first step on the path of realization of a broader and long-term program (right up to 1990), when, "the problem of unemployment will have been solved and the population will have gained access to a better life."²⁴ There was emphasis of the persistent need for use of the programming method in order to channel the oil revenue into the production sphere for the creation of permanent jobs and the conditions for the development of the remaining sectors of the economy. It was also pointed out that the oil profits would enable the state to perform the leading role in economic programming and ensure the achievement of the set goals with greater reliance on its own resources.

We will cite just a few figures showing how exceptional was the scale of the growth of the economy outlined by the above-mentioned program. An overall growth rate for the 1980's of an annual average of over 10 percent (compared with an average of 5.4 percent in the period 1970-1975, which preceded the oil boom); a rate of development of processing industry of more than 12 percent for the start of the 1980's and 10.8 percent for the latter half of the decade (for the period 1970-1975 it was 5.1 percent on average); power engineering 14 percent for the entire period through 1990 (5.9 percent in 1970-1975); and so forth.

As far as the financing of the program was concerned, somewhat of a decline in the share of the private sector as a whole (from 60 percent at the end of the 1970's to 47 percent in 1990) and a corresponding rise in the relative significance of state investments, basically thanks to an increase in allocations for social needs, were anticipated here. In the production sphere (industry and agriculture primarily), on the other hand, on the contrary, it was planned that the bulk of the investments would be made by forces of the private sector (56 percent on average for the period 1986-1990 compared with 53 percent at the end of the 1970's).

Attention is drawn to the fact that the program of capital investments for the 1980's had a vulnerable aspect: it was essentially deficit financing and relied on the attraction of additional resources which were not calculable ahead of time. Thus in the period 1979-1982 the "gap" in the investment program in the "priority" sectors (food and textile and also the production of producer goods) was assessed in real terms (based on 1975 prices) at 66 billion pesos or 12.4 percent more than it had been planned to invest in these sectors.

In implementing such a far-reaching plan the country encountered serious, primarily financial and currency, difficulties. In the atmosphere of the new deep recession which had embraced the developed capitalist countries on the eve and at the outset of the 1980's and the trend toward a lowering of world oil prices and a further rise in the cost of credit its real opportunities proved manifestly below the requirements which ensued from the scheduled program. This serious miscalculation again destabilized the "Mexican model" and brought the country to the verge of an unprecedentedly acute financial crisis, which was painfully reflected in its economic position and the living conditions of the working masses.

III

In 1982 Mexico became one of the world's biggest debtors--its foreign debt reached \$80 billion (of which the state was responsible for \$60 billion and the private sector for \$20 billion). The payments on the state debt came to swallow up per day over 70 percent of the revenue from oil exports (\$35 million of the \$48 million obtained per day from the export of 1.7 million barrels of oil). As a consequence of the huge balance of payments deficit the country's currency reserves fell from \$3 billion to \$400-500 million in the last 2 years alone. The currency difficulties were interwoven with financial-economic difficulties. The increased budget deficit was spurred by inflation. In 1982 the rate of increase in the cost of living reached a record level--95 percent.²⁵ In this respect Mexico began to dispute the leadership with such record-setting countries as Argentina, Brazil, Peru and Chile, whose inflation rates constitute 60-100 percent.²⁶

The struggle over questions of the state's socioeconomic policy exacerbated in the country, and the problem of the unchecked rise in the cost of living moved to the forefront therein. The government system of price controls on food products, despite the considerable subsidies to trading enterprises of the public sector, proved incapable of halting inflation or assuaging its consequences. In addition, the authorities had to sanction an increase in the official prices for various consumer goods. The increase in 1982 in the official minimum wage of 30 percent could not compensate for the losses in the working people's real income, even less so in that this measure affected only the poorest strata and had practically no effect for the bulk of working people.

The strain on the labor market increased also. Under the pretext of the shortage of currency resources for the acquisition of imported raw material, intermediate products and equipment many large-scale private enterprises--foreign and local--began to resort to mass dismissals. According to an estimate of the Minister of Labor, over 400,000 workers were dismissed in 8 months of last year, not counting the construction sphere, where a further 500,000 persons lost their jobs. The total number of persons without a permanent wage reached 8 million.

In the crisis situation there was a sharp increase in the flight of monetary capital from Mexico through the private banks, in whose accounts almost nine-tenths of all monetary deposits (state banks accounted for the remainder) had

accumulated.²⁷ The demand for dollars in the latter half of 1982 assumed such proportions that there was a rapid slide in the peso's exchange rate. Speculative transactions with foreign currency became a "gold bed" for the private banks. The government report which the Mexican president traditionally delivers annually to the Congress on 1 September pointed directly to the fact that the private banks had contributed to the growth of speculation and the outflow of capital abroad, increasing the existing difficulties and the country's dependence on overseas.

Before nationalizing the private banks, the government resorted to currency restrictions, attempting thereby to halt the development of the financial crisis. A dual exchange rate system was introduced--the preferential rate (for the most immediate import transactions and interest payments on foreign loans) and the free, market rate for the remaining commercial deals. But this measure also was insufficiently effective. A foreign currency black market emerged in the country where dollars were sold at the speculative price of around 100 pesos to the dollar.

In this emergency situation the Lopez Portillo government took the "extreme" measure 3 months prior to the transfer of power to the new head of state--nationalization of the private banks (with only a few exceptions, for the local branch of the American New York City Bank, for example). The significance of this step, which stirred the whole country and elicited extensive comment abroad, is undoubtedly great. It was not fortuitous that the transition to the state of essentially the entire banking system came to be compared with the measure which had the same widespread repercussions--nationalization of the oil industry in 1938. As a result of the nationalization, as the British FINANCIAL TIMES believes, up to 70 percent of all bank assets (compared with the previous 50 percent) are in the sphere of state control.²⁸

What kind of situation is taking shape in the country following nationalization? What are the prospects of overcoming the financial-economic crisis? These questions cannot as yet be answered straightforwardly.

The nationalization of the private banks won the broad support of the progressive Mexican public, the political parties of the left and the trade union organizations. Mass demonstrations were held in defense thereof. At the same time it was given a hostile reception by the representatives of Mexican big business connected with local and foreign financial circles. Disagreements also arose in the ruling party-government bloc itself. Representatives of financial-industrial circles of Monterrey--the major commercial-industrial center in the north of the country (Mexico's third biggest private bank in terms of assets--Banco Serfin--is located there) sharply protested the government's action. They were inspired by a malicious newspaper racket in connection with the nationalization, which was manifestly aimed at intimidating certain strata of the public with the bugbear of the "totalitarian state," "communist threat" and so forth. The former manager of the Central Bank of Mexico (who was removed from this position by the Lopez Portillo government) stated his disagreement with the nationalization.

In connection with the nationalization of the banks there was increased pressure on Mexico on the part of imperialist circles, primarily the United States. At the same time feverish efforts came to be made to render it large-scale financial "assistance". Back at the height of the financial crisis, on the eve of the nationalization, the R. Reagan administration hastened to mobilize the efforts of the Federal Reserve System and other credit institutions in order to grant Mexico in great haste \$3 billion of credit. Part of this "assistance" was granted it in the form of advance payment for additional oil supplies to the United States, which are to double in the current year compared with the previous year. Altogether Mexico now caters for approximately one-fourth of its northern neighbor's oil import requirements (supplies thereof amount to 45 million tons a year).

Nor did the IMF with its stereotyped set of conditions and demands on the developing debtor-countries remain on the sidelines. In the course of negotiations with the Mexican side on the granting of a loan of \$4.5 billion it demanded a reduction in the budget deficit by way of a sharp reduction in allocations for social needs and, in particular, subsidies for supporting the retail prices for foodstuffs, which, as is not hard to understand, could affect the interests of the particularly needy strata. The IMF also demanded a reduction in the amount of the addition to wages in connection with a rise in the cost of living and the lifting of the strict currency control measures and their replacement by a "floating" exchange rate policy.

It may be said today that the most acute phase of the financial crisis is evidently over, although many of Mexico's economic and, particularly, social problems remain unresolved. They are also recognized in the basic outlines of the program of the administration headed by Miguel de la Madrid. The new leadership considers as its main tasks the strictest economies, combating inflation and unemployment, overcoming corruption in the machinery of state and increasing its efficiency. It is planned to conduct financial reform for fairer income distribution and improve the population's provision with basic essentials.

The new head of state has declared that the nationalization of the private banks effected by the previous administration is irreversible. Henceforward the banks' resources will be channeled primarily into the spheres of the economy in which there are opportunities for the creation of new jobs (particularly in cities remote from the center and rural localities). At the same time to stimulate exports and the influx of foreign currency into the country the intention to cancel the dual exchange rate system (preferential and free) and return to a single market rate maintained by the Central Bank was expressed. The government as a whole intends to encourage the development of a "mixed" economy in the country with the state retaining the predominant role.

It is as yet difficult to judge to what extent these tasks will be realized in practice. Much, obviously, will depend not only on the will and intentions of the new administration but also on the actual correlation of socio-class forces in the country. The situation in Mexico remains complex and strained. The persistent struggle of the working people, primarily the working class, for their vital interests and against exploitation, glaring social inequality and

other vices of capitalist development is encountering the resistance of the ruling classes supported by imperialism.

IV

The crisis years of the 1970's showed how in fact unequal is the position of Mexico, as of other developing countries also, in the system of the world economic relations of capitalism, the main centers of which, employing the mechanism of dependence, are shifting the burdens of the crisis they are experiencing onto the economically weaker countries. This is engendering in the latter serious financial-economic problems. Recognition of the fact that the well-being of the developing countries is determined far from least by the nature of external development conditions is prompting Mexico to strengthen relations with other economically oppressed states of Latin America and the entire developing world and to defend their legitimate interests together. In addition, Mexico frequently performs the role of instigator of important political-economic measures. It is sufficient, for example, to recall that it was an initiator of the movement, which has won the broad support of other developing countries and the socialist community states, for the creation of a new international economic order on an equal, democratic basis and the formulation of a charter of the economic rights and duties of states of the international community. It was a founder member of the SELA, which is designed to unite the countries of the region in the common struggle against neocolonialism and for economic progress.

Relations between Mexico and the Soviet Union are being constructed on the firm foundation of the policy of peaceful coexistence, mutual respect and business-like cooperation in the solution of urgent international problems.³¹ As is known, Mexico was the first country of the Western Hemisphere to establish diplomatic relations with the young Soviet Russia--on 4 August 1924. This step was dictated not only by mutual interest in the establishment and development of commercial-economic relations but also by a certain similarity of historical destiny of the peoples of Russia and Mexico, who rose up almost simultaneously to the decisive struggle against national oppression and social enslavement. We cannot fail to recall in this connection the splendid words of a leader of the insurgent movement in Mexico of the period of the 1910-1917 bourgeois-democratic revolution, Emiliano Zapata, on the historic significance of the revolutionary events in the two countries: "...We would gain much and human justice and all the peoples of our America and all peoples of old Europe would gain much if we understood that the cause of revolutionary Mexico and unbending Russia represent the cause of all mankind and the highest interests of all oppressed peoples...."³²

At the sharp turns of their national history the Soviet and Mexican peoples have repeatedly rendered each other moral-political support. Thus the Mexican Government's historic decision on nationalization in March 1938 of the oil industry, which became a symbol of the Mexican people's struggle for the consolidation of their independence, was greeted with great sympathy and understanding in the Soviet Union. In the difficult years of the Great Patriotic War the sympathies of the people and government of Mexico were on the side of the USSR, which perceived the Mexican people's solidarity with gratitude.

Addressing the Mexican National Congress on 20 November 1959, A.I. Mikoyan observed that at the time of the war against fascist Germany the Mexican people "rendered the Soviet Union friendly moral support. All this is valued highly by the peoples of the Soviet Union. It is said that a friend in need is a friend indeed."

Soviet-Mexican relations have developed particularly intensively since 1968. There has been a strengthening of their treaty-legal basis in this period, which has contributed to the development of cooperation in the sphere of foreign policy, economics, science and technology, culture and sport. The meetings between Soviet and Mexican leaders which were held in the 1970's and which noted the concurrence of the positions of the USSR and Mexico on many international questions and confirmed their desire to expand bilateral cooperation, contributed to the broadening of relations between the two countries. Speaking at a dinner given on 17 May 1978 in the Kremlin in honor of Jose Lopez Portillo during his visit to the Soviet Union, L.I. Brezhnev declared that "mutually profitable, equal cooperation on the basis of the principles of peaceful coexistence have been established between the USSR and Mexico in many spheres." In turn, the Mexican side emphasized the firm intention to strengthen the ties "which gradually and consistently expand our relations, despite the geographical distance between the two countries, and contribute to the growth of mutual understanding." During this visit the leaders of the two countries repeatedly emphasized that the governments of the USSR and Mexico attach particularly great significance to disarmament, relaxation of tension and peaceful coexistence for the achievement of universal peace and the security of the peoples. In the course of the visit the Soviet Union signed Supplementary Protocol II to the Treaty Banning Nuclear Weapons in Latin America (the Tlatelolco Treaty), the initiator and depositary of which is Mexico.

The history of Soviet-Mexican relations is now over half a century old. "It contains," as L.I. Brezhnev observed, "many striking and glorious pages. The friendship between our countries has stood the test of time."

FOOTNOTES

6. QUARTERLY ECONOMIC REVIEW (Mexico City) Annual Supplement, 1976, London, 1976, p 4.
7. "Latin America in Figures," Moscow, 1979, pp 54, 58.
8. "Statistical Summary of Latin America. 1960-1980," CEPAL.
9. Estimated from "Statistics on the Mexican Economy," Mexico City, 1977, p 108.
10. Ibid., pp 122-123.
11. "Statistical Summary of Latin America. 1960-1980," CEPAL.

12. Even by 1950 such commune-cooperatives had essentially lost their economic significance inasmuch as they accounted for less than 4 percent of cultivated land in the "ejido" sector.
13. The "Law on Assistance to the Development of New and Necessary Sectors of Industry," which was promulgated in 1955, served these goals, inter alia; lists of enterprises which were granted tax concessions for a term of 5 to 10 years were published periodically on the basis thereof.
14. A. Aguilar, F. Carmona, "Mexico: riqueza y miseria," Mexico City, 1976, p 30.
15. PROBLEMAS DEL DESARROLLO November 1957-January 1976, pp 68, 72.
16. EL MERCADO DE VALORES (Mexico City), 12 October 1964, pp 613-614.
17. Estimated from B. Sepulveda, A. Chumacero, "La inversion extranjera en Mexico," Mexico City, 1973. Apendice estadistico, cuadro I; COMERCIO EXTERIOR (Mexico City), July 1982, p 760.
18. COMERCIO EXTERIOR April 1981, p 478.
19. "Statistical Summary of Latin America. 1960-1980," CEPAL.
20. NOTAS SOBRE LA ECONOMIA Y EL DESARROLLO DE AMERICA LATINA," CEPAL No 333, 1981, p 2; EXAMEN DE LA SITUACION ECONOMICA DE MEXICO July 1982, p 321.
21. EXAMEN DE LA SITUACION ECONOMICA DE MEXICO July 1982, p 336 (it is customary in Mexican statistics to compute oil reserves and production in barrels. This article converts them into tons on the basis of the ratio of 20,000 barrels per day equals 1 million tons a year).
22. Ibidem.
23. The central role in this system is performed by the large-scale state company for the procurement and trade in basic foodstuffs--CONASUPO--which has a ramified network of stores, which sell such commodities at officially determined prices.
24. COMERCIO EXTERIOR (Mexico City), May 1979, p 521.
25. FINANCIAL TIMES 2 November 1982.
26. NOTAS SOBRE LA ECONOMIA Y EL DESARROLLO DE AMERICA LATINA, CEPAL, No 333, 1980, p 3.
27. See EXAMEN DE LA SITUACION ECONOMICA DE MEXICO No 680, 1982, p 324.
28. FINANCIAL TIMES 2 November 1982.

31. The history of these relations was reflected in documentary form in a joint publication prepared by the USSR Academy of Sciences Institute of Latin America and the Mexican Foreign Ministry Main Archives, Library and Publications Agency: "Soviet-Mexican Relations (1917-1980). Collection of Documents," Moscow, 1981.

32. Ibid., p 8.

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SOVIET-BULGARIAN ECONOMIC COOPERATION DETAILED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2,
Feb 83 pp 76-85

[Article by S. Sharenkov and A. Nikol'skiy: "Extension of Economic Integration and the All-Around Rapprochement of the USSR and Bulgaria"]

[Text] Friendship and cooperation between the USSR and the People's Republic of Bulgaria is the general line of the two fraternal parties. "We know," Todor Zhivkov, general secretary of the Bulgarian Communist Party Central Committee and chairman of the Bulgarian State Council, said at the ceremonial meeting devoted to the 60th anniversary of the formation of the USSR, "that our successes would not have been possible without cooperation with the Warsaw Pact countries and CEMA and without the assistance of the Soviet Union." A result of the pursuit of a consistent Marxist-Leninist policy was the creation of interstate relations of an entirely new type based on the principles of complete equality and respect for state sovereignty, sincere friendship and comradely mutual assistance.

There have been profound social transformations in recent years in the life of people's Bulgaria. It is now among the countries with the highest and most stable indicators in all spheres of economic activity. In the period 1960-1981 its national income increased by a factor of 3.4, industrial production by a factor of 6.3 and agricultural production by a factor of 1.7. In the current 5-year period it is planned that national income will increase 25-30 percent, the manufacture of industrial products 30-35 percent and social labor productivity 36-38 percent.

In accordance with the level of development of the production forces and production relations and the growth of the two countries' economic potential, Soviet-Bulgarian relations are being perfected and enriched with new forms. The stage of the all-around rapprochement of the USSR and Bulgaria began at the start of the 1970's, with the transition to the building of a developed socialist society in Bulgaria. The policy of rapprochement is embodied in the Friendship, Cooperation and Mutual Assistance Treaty, which was signed in 1967, and also in the Bulgarian Communist Party Program, which was adopted by the 10th congress (1971) and which records that the party will continue "to develop and intensify in every possible way fraternity, agreement and unity of action with the CPSU and pursue a policy of Bulgaria's all-around rapprochement with the Soviet Union."*

* "Tenth Bulgarian Communist Party Congress," Moscow, 1972, p 289.

I

A determining influence on the deepening of the two countries' economic integration and the further extension of all-around relations is being exerted by the historic decisions of the 26th CPSU and 12th Bulgarian Communist Party congresses. Implementation of the basic provisions of the Comprehensive Program of Socialist Economic Integration and also long-term goal-oriented programs of cooperation and a bilateral long-term program of the specialization and cooperation of production between the countries is contributing to this. "The cornerstone of our foreign economic policy," the Bulgarian Communist Party Central Committee report to the 12th party congress emphasized, "will henceforward remain THE DEEPENING AND EXPANSION OF OUR PARTICIPATION IN INTERNATIONAL SOCIALIST ECONOMIC INTEGRATION [boldface] with the CEMA countries on a bilateral and multilateral basis and primarily all-around cooperation and rapprochement between the Bulgarian People's Republic and the Soviet Union."*

In the 1980's the countries will pay particular attention to the increased efficiency of their national economy on the basis of the concentration of production and new equipment, an extension of specialization and cooperation, the optimum load of production capacity and joint scientific research and planning-design activity. An appreciable place is assigned cooperation in the creation of business and other organizations, the use of economic and natural resources, an improvement in the forms of mutual cooperation and so forth.

An important medium for the fullest coordination of the strategic directions of the two countries' economic policy in the 1980's and the intensification of bilateral relations is the Master Outline of Specialization and Cooperation in the Sphere of Material Production Between the USSR and Bulgaria through 1990, which determined the promising directions of mutual relations.

The strategic goal of this outline is the further rapprochement of both countries' national economic complexes based on the efficient and mutually profitable extension of the intersectorial and intrasectorial division of labor. The master outline contributes to the introduction of the latest achievements of the scientific-technical revolution and also the most rational use of material, financial and labor resources within the framework both of bilateral and multilateral cooperation. Drawn up in accordance with the basic concepts of the development of the national economies, it represents a set of interconnected intersectorial and intrasectorial programs of cooperation and determines the directions of the division of labor for the long term.

The specific conditions, forms and times of cooperation and also the sides' mutual commitments with regard both for the general directions of bilateral relations and also participation in economic integration within the CEMA framework are recorded in 36 sectorial subprograms. The Basic Directions of Scientific-Technical Cooperation Between the USSR and Bulgaria Through 1990

* "Twelfth Bulgarian Communist Party Congress," Moscow, 1982, p 31.

have also been elaborated on the basis of the Master Outline. The outline is being implemented in accordance with the basic provisions of the Comprehensive Program and the tasks ensuing from the long-term goal-oriented programs of cooperation of the CEMA countries and other multilateral integration measures.

Active participation in the socialist community and all-around cooperation and rapprochement with the USSR are creating favorable conditions for the most rational use of intrinsic resources and the advantages of the international socialist division of labor. A modern national economic complex--an inalienable part of the interstate economic complex of the CEMA countries which is taking shape--has been created in Bulgaria. This is providing for the accelerated development of the production forces, a refinement of the structure of the national economy, a stable high economic development rate, creation of the material-technical base of socialism and a rise in the people's living standard.

An analysis of Soviet-Bulgarian economic and scientific-technical relations graphically testifies to the successful development of integration process in all spheres of the national economy, primarily in engineering, power engineering, chemistry, metallurgy and light and food industry. Thanks to cooperation and integration with the CEMA countries, primarily with the USSR, large-scale industrial and other facilities have been built in Bulgaria and new progressive sectors and works have emerged.

Over 200 large-scale industrial enterprises have been erected and a further 130 are being built, reconstructed and modernized with the USSR's technical assistance and credit aid. Approximately 50 percent of fixed production capital in industry has been created with the active assistance of the Soviet Union. The enterprises built thanks to supplies and with the technical assistance of the USSR are the core of national industry and produce 95 percent of ferrous and 85 percent of nonferrous metals, 70 percent of electric power, 55 percent of chemical products and so forth.* In the period 1981-1985 the USSR will supply complete-set equipment to the tune of R1.4 billion and will render technical assistance in the construction and modernization of 120 facilities (including power engineering, metallurgical, chemical, petrochemical and pulp and paper enterprises).

Fruitful cooperation with the USSR and the constant expansion of participation in international production specialization and cooperation have led to considerable progressive changes in the structure of Bulgaria's national economy. In 1980 industry's share of the national income amounted to 52 percent. The correlation between industrial and agricultural production has changed sharply: it now constitutes 5:1. There have simultaneously been profound structural changes in industry itself, where as a result of the preferential development of the production of producer goods their relative significance has reached 62 percent.**

* "Statistical Yearbook of the CEMA Countries," Moscow, 1981, pp 70, 44;

** "Svetovna sotsialisticheska sistema," Sofia, 1982, p 132.

In terms of the intersectorial structure and technical level of industry Bulgaria approaches the most developed socialist states. The role of the intensive factor of the growth of the industrial product has increased: approximately 90 percent of the increase is now achieved thanks to labor productivity. In the period 1971-1980 alone it increased in industry by a factor of 1.8.

The preferential development of industry in the 1980's remains the main direction of Bulgaria's economic policy. The structure-determining sectors--power engineering, machine building, metallurgy and chemistry--will be expanded on the basis of international production specialization and cooperation and integration with the USSR. Electronics and microelectronics, computers and office equipment, instrument building, transport engineering and so forth, which are highly efficient and which contribute to an acceleration of scientific-technical progress, will develop at the highest rate. "In the Eighth Five-Year Plan," the heads of the 12th Bulgarian Communist Party Congress say, "we have to IMPLEMENT PROGRESSIVE CHANGES IN THE STRUCTURE OF THE ECONOMY [boldface] connected with an increase in the degree of industrialization and the development at a preferential pace of the sectors and works providing for the intensification and harmonious development of the national economy and the country's efficient participation in the international division of labor."

The structure of Bulgaria's national economy will be improved mainly on the basis of the mutual adaptation of the two economies. The essence of this process amounts to the preferential development in Bulgaria of a certain list of sectors whose products are predominantly exported to the USSR. These sectors will become the principal components of the national economic complex and perform the role of connecting links between the Bulgarian and Soviet economies. The further rapprochement of the national economic and social life of the two countries and the increasingly close linkage and interweaving of the national reproduction processes demand the fuller coordination of their economic and scientific-technical policies and a consideration of mutual requirements.

The basic directions of mutual cooperation and rapprochement are production and scientific integration. It serves as a unifying link of the comprehensive integration processes embracing the entire reproduction cycle: science--technology--production--sale. Therefore in accordance with the Comprehensive Program, the Master Outline and the long-term programs, the countries are paying the greatest attention to the expansion of cooperation and integration in the sphere of material production, science and technology.

II

Following the adoption of the Comprehensive Program, Bulgaria drew up a number of new programs and signed a large number of agreements on specialization and cooperation with the Soviet Union and also with other CEMA countries. For the period 1981-1985 alone 41 agreements have been concluded affecting the structure-determining sectors of industry. In the course of fulfillment of the long-term programs both countries will participate on a multilateral basis

in more than 105 contracts and agreements on production specialization and cooperation.*

This process is taking place most dynamically in engineering. In accordance with the contracts signed, Bulgaria is specializing in the manufacture of more than 670 machines and products, including 230 for which it is sole producer, within the CEMA framework. It is engaged in the large-series production of products of materials handling and agricultural engineering, machine-tool building, electrical engineering and electronics industry and so forth. Approximately 60 percent of Bulgaria's engineering and instrument-making production capacity is working on Soviet orders.

As a result in the period 1971-1980 Bulgarian machinery and equipment exports to the socialist countries increased by a factor of 4.7, and the proportion of specialized products reached 50 percent. The Soviet market absorbs 70 percent of Bulgarian machinery and equipment exports, including approximately two-thirds of the specialized engineering product. Almost 70 percent of the supplies of specialized products to the USSR is accounted for by the sectors producing materials handling, power and electrical engineering equipment, communications, radio and television equipment and also transport facilities. Such export-oriented sectors of engineering as the production of electronic products, industrial robots, manipulators, modern microprocessor devices and systems, means of electronization and automation, control systems, modern highly electronized and automated metal-cutting machine tools, fixtures and unique machine-building products will develop at the highest rate in the current 5-year plan. Thirty multilateral and 5 bilateral agreements concluded for 1981-1985 will also contribute to this.

A big role in this connection will be performed by Bulgaria's participation in the realization of agreements on the CEMA countries' multilateral specialization and cooperation in the sphere of the development and production of new computer facilities, the creation of a standardized microelectronic component base for the production of radioelectronic apparatus and means of communication and the use of microprocessor technology in the national economy and organization of the production of industrial robots. A number of agreements has been elaborated and signed within the framework of the "Intransmash," "Agromash," Interatomenergo" and "Interelektro" international industrial organizations and also between Soviet and Bulgarian scientific research institutes and science-production associations.

On the basis of agreements with the USSR Bulgaria manufactures and exports 32 electronic and electrical engineering products. In close cooperation with the USSR and other CEMA countries (21 multilateral and 4 bilateral agreements have been signed) Bulgaria is in the present 5-year plan to expand the production and exports of computer equipment, means of automation, modern quasi-electronic and electronic automatic telephone station, digital transferable system magnetic tape storage device, metal-cutting machine tool and machine tool with digital program control products. In turn, the USSR

* EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV No 5, 1981, p 10.

specializes in the production and supplies to Bulgaria of ship and radiotechnical equipment, radio broadcasting and television transmitters, international automatic telephone stations, equipment for color television, radio-measuring instruments and so forth.

Under current conditions increasingly great significance is attached to specialization and cooperation in the production of individual components, details and parts. They constitute approximately one-third of the reciprocal exchange of specialized engineering products.

In 1981-1985 Bulgarian plants will continue to supply the Volga Auto Works with complete-set products--generators, starters, ignition coils, relays, regulators, oil filters, storage batteries, air filter elements and power line assemblies. On the basis of batching assemblies and parts Bulgaria will continue the assembly of the GAZ-53 trucks and Moskvich passenger cars. The production of standardized steering gear for satisfaction of both countries' requirements will be organized in Bulgaria with the Soviet Union's technical assistance.

Bulgaria is expanding the manufacture and exports to the USSR and other CEMA countries of machinery for cultivating vineyards, rototillers, transplanting machinery, installations for drying tobacco and combines for harvesting fruit, tobacco and grapes. Together with this it will supply the Soviet Union with batching components for beet-harvesting combines, haulm-harvesting machinery and hydraulic turbogenerator units and individual electronic equipment systems for agricultural machinery. The USSR, in turn, will expand cooperative-basis supplies of assemblies, parts and batching components for MTZ-80 tractors, grain-cleaning machinery, soybean-harvesting combine attachments, hydraulic turbogenerator units and so forth.

The pooled production of 7 types of metal-cutting machine tools is planned in machine-tool-building and tool industry. The USSR will supply individual finished components and parts for assembly at Bulgarian circular semi-automatic chucker with digital program control enterprises. Bulgaria will specialize in supplies to the Soviet Union of materials handling device components and other standardized components for processing centers and machine tools with digital program control, small transfer machines and transfer lines manufactured by Soviet plants.

Close industrial and scientific-technical relations of many Soviet and Bulgarian enterprises have evolved on the basis of assembly and component cooperation. Thus, for example, on the basis of production cooperation of the Minsk and Kishinev tractor plants with the Karlovo Tractor Plant, Pleven Foundry and Starozagorski "Hammer and Sickle" Plant Bulgaria has expanded the production of tractors and combines for vineyard cultivation. Close relations unite the Gor'kiy Auto Plant and the Shumen Truck Manufacture Plant, the "Klimovskekestil'mash" Production Association and Sliven Engineering Plant for the manufacture of machine tools for the textile industry.

New forms of cooperation in the sphere of machinery and equipment maintenance are being developed extensively. Seven Soviet technical centers for servicing equipment supplied from the USSR (road-building machinery, cranes, excavators,

computers, household appliances and so forth) were created in Bulgaria in the last 5-year plan and are operating successfully.*

Thanks to the extension of integration in the engineering and instrument-building sphere, exports of their products are growing at a high rate. Compared with the past 5-year period, in the period 1981-1985 reciprocal supplies of instrument-building products and computer facilities are to increase by a factor of 1.7 and means of communication by a factor of 1.8. Together with this there will be a constant increase in the proportion of specialized products: in 1980 they accounted for over 40 percent of total exports from Bulgaria to the USSR, including 70 percent of exports of machinery and equipment and chemical, petrochemical and pharmaceutical industry products and 90 percent of electronics and electrical engineering industry products.**

Cooperation and production pooling with the Soviet Union play a big part in the development of Bulgaria's chemical industry. It is sufficient to say that all the major Bulgarian chemical enterprises were built with the technical assistance of the USSR. Within the CEMA framework Bulgaria participates in the specialization of production and supplies of approximately 200 chemical products. It supplies the USSR on a bilateral basis with 30 types of chemical product and itself obtains 150 types of chemical end product from the Soviet Union.

Realization of the Master Outline and the 5 bilateral and 1 multilateral agreements will contribute to the further extension of Bulgaria's participation in international specialization and cooperation in the following fields: the development of organic synthesis and the production of synthetic fibers and rubber, plastics, soda ash, nitrogenous fertilizer, small chemical products, chemical-pharmaceutical products and plant-protection preparations. The bulk of these products will be exported to the USSR, and in exchange Bulgaria will receive power- and material-consuming products (methanol, polyethylene, PVC, isoprene rubber and others). In 1981-1985 reciprocal chemical product supplies will increase threefold compared with the preceding 5-year plan.

The extractive sectors will develop rapidly in Bulgaria with the Soviet Union's technical assistance; the "Kremikovtsi" and imeni V.I. Lenin foundries in Pernik have been built, expanded and modernized; and the powerful "Maritsa-Vostok" fuel-energy complex has been created. In this 5-year period the USSR is rendering technical assistance in the expansion and modernization of operating and in the construction of new power engineering and metallurgical facilities.

Particular significance for the satisfaction of the electric power needs of Bulgaria, which has limited reserves of energy resources, is attached to cooperation with the USSR in nuclear power engineering. The first nuclear power station in the Balkans--the "Kozloduy," with a capacity of 1,760 megawatts--was built and commissioned on the basis of Soviet equipment and with

* See VNESHNYAY TORGOVLYA No 3, 1981, p 15.

** See EKONOMICHESKAYA GAZETA No 8, 1981, p 21; "The USSR-Bulgaria. Cooperation and Rapprochement," Moscow, 1982, p 118; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV No 5, 1981, p 11; "NRB-SSSR. Vsestranno sblizhivane," Sofia, 1982, p 47.

the USSR's assistance. The construction of a second nuclear power station will begin in 1986. Some 26 percent in 1985 and 40 percent of electric power in 1990 (20 percent in 1980) will be generated on the basis of nuclear fuel. An appreciable role in an improvement in the structure of the country's fuel-energy balance belongs to the USSR-Bulgaria gas pipeline, by which Bulgaria annually receives 3 billion cubic meters of natural gas. Following the commissioning of the "Soyuz" gas pipeline, imports of Soviet natural gas almost doubled.

Together with the other CEMA countries Bulgaria participates actively in the installation on the territory of the Soviet Union of such large-scale integration projects as the "Soyuz" transcontinental gas pipeline, the Vinnitsa (USSR)-Albertirsa (Hungary) high-voltage power line, the Ust'-Ilim Pulp and Paper Works, the Kiyembayevskiy Asbestos Mining-Concentrating Works, the Kingisepp Works, enterprises for the production of pulp, ferroalloys, blanks for rolled ferrous metals and others.

Bulgaria is engaged in timber procurement on the territory of the Komi ASSR. A large number of Bulgarian construction workers and lumberjacks is working at timber industry enterprises with a productivity of 2.6 million cubic meters of timber a year. Of these, over 1.5 million cubic meters are supplied to Bulgaria, which caters for almost one-third of the country's requirement. In 1980 the Bulgarian comrades worked at the Kursk Magnetic Anomaly and in Tyumen', Surgut and Orenburg.

Bulgaria will obtain from the Soviet Union annually over a lengthy period supplementary quantities (over and above the volumes determined by long-term trade agreements) of pulp, asbestos, natural gas, iron-ore raw material, and other types of raw material and intermediate product in short supply.

Integration and rapprochement with the USSR are being reflected favorably in the development of specialization in light and food and flavoring industry, agriculture, transport and elsewhere. The implementation of the long-term programs in the sphere of agriculture and food and flavoring industry and also of the Master Outline will enable Bulgaria to join efforts with the USSR and other CEMA countries for the development of agricultural engineering, the joint construction of hydro-reclamative facilities and an increase in the production of mineral fertilizer and chemical plant-protection agents. The two countries' mutual cooperation in agriculture and food and flavoring industry will make a contribution to the solution of the USSR Food Program for the period through 1990 which was adopted by the CPSU Central Committee May (1982) Plenum and to ensuring the maximum satisfaction of the Soviet and Bulgarian peoples' constantly growing requirements.

III

All-around rapprochement and production integration with the USSR will largely depend on cooperation in the sphere of science and technology. At the current stage it has risen to a qualitatively new level and grown into scientific-technical integration. This is expressed in the implementation of a concerted scientific policy, the joint development of long-term forecasts of

scientific-technical progress, the planning and coordination of scientific research, the creation of joint scientific research associations, institutes, laboratories and scientific collectives, an improvement in the forms of cooperation in personnel training, the exchange of scientific-technical documentation, the organization of a uniform information system and so forth.

In the last 5-year plan 200 Soviet and 150 Bulgarian scientific research and planning-design organizations and institutes worked on 600 problems and topics of a fundamental and applied nature. Some 139 new machines, instruments and equipment and 35 new technologies were created and approximately 700 standards were developed and introduced jointly. In this period Bulgaria received more than 860 complete sets of scientific-technical documentation and offered the USSR 150 complete sets. Over 4,000 Soviet scientists, engineers and specialists assisted in a number of spheres of science and production, and approximately 10,000 Bulgarian specialists studied progressive experience and received tuition in the USSR.*

The Soviet-Bulgarian "Interprogramma" Scientific Research Planning Institute, the "Elektroinstrument" Science-Production Association, the design bureau for the creation of radiotechnical apparatus for agriculture, the bureau for the coordination of production processes in the sphere of automated control systems, the Design-Production Engineering Bureau attached to the Diesel Engines Works imeni V. Kolarov and others are operating successfully.

The basic directions of scientific-technical relations between Bulgaria and the USSR formulated in development of the Master Outline reveal broad prospects for the further extension of cooperation. The joint development of 450 problems in the sphere of material production (80 percent of an applied nature), including 324 problems in the current 5-year plan, is scheduled.

Particular attention is being paid to the solution of fuel-energy problems--the development of new production engineering processes and technical facilities for the mechanization and automation of the coal mines, the creation of new steam generators for lignite coal and highly efficient equipment for ferrous and nonferrous metallurgy, the introduction of highly efficient production engineering processes in chemistry and petrochemistry and the development of new highly productive metal-cutting machine tools (including those with digital program control), transfer lines, materials handling equipment and so forth.

Multilateral cooperation in a number of science-production associations within the CEMA framework is contributing to the further extension of scientific-technical integration. Bulgaria participates in 17 international scientific-technical organizations and 9 international associations, industrial societies and laboratories.

The USSR and Bulgaria are members of CEMA's international transport organizations.

* RABOTNICHESKO DELO 26 November 1981.

A special place belongs to the giant "Black Sea Bridge"--a unique ferry crossing between the ports of Il'ichevsk (USSR) and Varna (Bulgaria)--which was set up in 1978. Some 3.4 million tons of cargo or every 10th ton of Soviet-Bulgarian freight turnover were transported by this "bridge" in 1982. This makes it possible to remove a burden from the railroad and considerably reduce the cargo delivery times and release dozens of ships, 12 moorings, 1,000 crew and almost 3,000 workers of shore services.

The expansion of cooperation and the intensive development of integration processes in the sphere of material production finds concentrated expression in the rapid expansion of reciprocal trade and a change in its structure. In 1970-1980 commodity turnover between the two countries increased by a factor of 3.9. The average annual reciprocal trade growth rate in this period constituted almost 14 percent and considerably outpaces the growth rate of national income and industry. In the current 5-year plan commodity exchange between the two countries will reach R40 billion, that is, will have increased 40 percent compared with the previous 5-year plan.

The Soviet Union is invariably a major foreign trade partner of Bulgaria: it accounts for over half of Bulgarian turnover with foreign states and almost 70 percent with the socialist countries. In turn, Bulgaria occupies third-fourth place in the USSR's foreign trade turnover and accounts for approximately 7.5 percent of the USSR's commodity exchange with foreign countries. This is striking testimony to the deepening of the process of mutual adaptation of the two countries' national economic structures and the increasingly close rapprochement of their national economies.

There have been appreciable structural changes in the last two decades in the foreign trade turnover between the USSR and Bulgaria. Bulgarian exports to the USSR are characterized by an increase in the relative significance of industrial products, particularly machinery and equipment. In 1980 alone Bulgaria supplied the USSR with R1.7 billion of machinery and equipment (approximately 50 percent of Bulgarian exports to the USSR compared with 16 percent in 1960). Second place in Bulgarian exports is occupied by foodstuffs and raw material (approximately 33 percent) and third place by consumer goods (over 10 percent). Bulgaria is in first place among the trading partners in supplies to the USSR of fruit and vegetables in fresh and processed form. Bulgaria almost fully satisfies the USSR's import requirements in electric trolleys and electric telfers, to the extent of 20-25 percent in electrical engineering equipment, over 80 percent in soda ash and so forth.

Trade with the USSR affords Bulgaria the possibility not only of selling the bulk of manufactured products on the Soviet market but also obtaining from the Soviet Union machinery and complete-set projects, raw material and energy resources, which are vitally necessary for its economy. In 1980 producer goods (machinery, equipment, fuel, mineral raw material) constituted 80-90 percent of imports from the USSR. In the entire period of socialist building more than half of the machinery, equipment and transport facilities imported into the country was supplied by the Soviet Union.

Imports of modern Soviet equipment are performing a decisive role in the retooling of the national economy and the creation of an efficient sectorial structure of the Bulgarian economy. Approximately 12-15 percent of machinery

and equipment exported by the Soviet Union in recent years was supplied to Bulgaria. Thanks to Soviet supplies, it satisfies two-thirds of its import requirements in machinery and equipment and in terms of individual types thereof even more (tractors, bulldozers and nuclear power station equipment almost 100 percent, agricultural equipment 90 percent and automobiles 75-80 percent).

Supplies of fuel, mineral fertilizer and metals, which cater for three-fourths of the country's import requirements in these products, are increasing constantly in Soviet exports to Bulgaria. The USSR's share of the imports of electric power, hard coal, pig iron, natural gas and iron ore here constitutes 95-100 percent, oil over 90 percent and cotton 80 percent.

Close cooperation unites the USSR and Bulgaria not only in the economic, political, ideological, defense and cultural spheres. As a result of the consistent implementation of the general course of the fraternal parties cooperation has assumed a nationwide nature. Not only party and state leaders but also political, youth, trade union and other public organizations and the broad people's masses participate therein. Direct relations between ministries, departments and scientific and cultural establishments of the two countries, between individual regions of Bulgaria and oblasts and rayons of the USSR and between brother-cities are developing.

In the realization of the integration and rapprochement program a determining role belongs to the expanding and strengthening fraternal relations and cooperation between the CPSU and the Bulgarian Communist Party. Marxism-Leninism and the unity of views on the main problems of socialist building and the socialist community and on international issues serve as their permanent basis. In accordance with the decisions of CPSU and Bulgarian Communist Party congresses, a concerted peace-loving foreign policy line aimed at the relaxation of international tension, implementation of Lenin's principles of the peaceful coexistence of states with different social systems, the expansion of European cooperation and lasting peace throughout the world is being pursued.

Bourgeois propaganda and its accomplices are endeavoring in every possible way to distort the essence of the objective process of the rapprochement of the USSR and Bulgaria, speaking of the imaginary "Soviet domination" and "hegemonism" within the CEMA framework, the "undermining of small countries' national sovereignty" and so forth. Such assertions are a pure invention and are built by analogy with the relations which exist between big and small countries under the conditions of capitalism.

In fact, however, as practice shows, it is all-around rapprochement with the Soviet Union which is the guarantee of the free and rapid development of the fraternal countries along the way to socialism. Responding to the questions of R. Maxwell, president of the Pergamon Press publishing firm, T. Zhivkov again emphasized that the all-around rapprochement and integration between the two countries and peoples is "the highest expression of the sovereign will of the Bulgarian and Soviet peoples and a guarantee of the complete success of this joint policy and a constant strengthening of the fraternal friendship

which links them for all time."*

The further expansion and extension of cooperation and the all-around rapprochement of the USSR and Bulgaria will contribute to the successful fulfillment of the programs of an acceleration of the process of intensification of the national economy and a rise in production efficiency and the people's living standard adopted by the 26th CPSU and 12th Bulgarian Communist Party congresses. It was noted during the meeting of Yu.V. Andropov, general secretary of the CPSU Central Committee, and T. Zhivkov, general secretary of the Bulgarian Communist Party Central Committee and chairman of the Bulgarian State Council, in December 1982 that the close economic interaction of the USSR and Bulgaria is becoming an increasingly impressive contribution to the realization of their plans of socialist and communist building. In this way the Soviet Union and Bulgaria are making an appreciable contribution to the strengthening of the economic might of the socialist community and the acceleration of social progress.

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* RABOTNICHESKO DELO 24 January 1982.

DISARMAMENT PROPOSALS DISCUSSED IN UN GENERAL ASSEMBLY 37TH SESSION

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2,
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[Article by Yu. Konstantinov: "Alternative to Nuclear Catastrophe"]

[Text] The Prague meeting of the Warsaw Pact Political Consultative Committee (4-5 January 1983) was an event of major international significance. The top leaders of the allied socialist states jointly analyzed the current situation in Europe and the world as a whole and determined the fraternal countries' further concerted actions in the struggle against the military threat and for the preservation and extension of detente and the development of international cooperation.

The participants in the meeting noted with concern that as a result of the stimulation of aggressive forces the situation in the world is becoming increasingly complex, international tension is growing and the military threat, primarily nuclear, is increasing. The circles, primarily in the United States, which would like to shake the sole prudent basis of relations between states with different social systems--peaceful coexistence--disrupt the evolved strategic balance in the world and secure military superiority for themselves are making themselves known increasingly persistently. The new round of the arms race--nuclear and conventional--which they have unleashed could lead to even further instability in the world and seriously complicate the solution of the urgent economic and social problems confronting individual countries and mankind as a whole.

The resolve of the peoples and progressive and peace-loving forces to do away with the policy of confrontation, ensure the preservation of peace and the strengthening of international security and restore the world to the channel of detente is being manifested increasingly clearly and firmly as a counterweight to such a dangerous development of events. Proceeding from this, the participants in the Prague meeting expressed their conviction that the present course of international events must and can be stopped and their development channeled into a direction corresponding to the peoples' cherished hopes.

Taking the analysis of the international situation as a basis, the Warsaw Pact states put forward as an alternative to nuclear catastrophe a wide-ranging

action program. They emphasized that a central place in the struggle to prevent war is occupied by the task of curbing the arms race and moving toward disarmament, particularly nuclear. A most important component of the efforts to remove the military threat is the strengthening of security in Europe. An improvement in the political climate in the world is connected to a considerable extent with the liquidation of existing and prevention of the outbreak of new centers of military conflict in Asia, Africa, Latin America and other regions. A diminution in the military threat is impossible without the consolidation of trust in relations between states. The prospects of the development of the situation in Europe and the world as a whole depend to a very greatly on the extent to which it will be possible to lower the level of opposition between the two biggest military-political alliances--the Warsaw Pact and NATO.

The Warsaw Pact states specified their ideas on the ways and means of strengthening peace and preserving and extending the relaxation of international tension under current conditions in the form of a number of initiatives. Particular significance is attached to their new proposals for the conclusion of a treaty on the mutual nonuse of military force and the preservation of peaceful relations between the states of the two military-political groupings--the Warsaw Pact and NATO. The core of the treaty, according to the proposal, would be a mutual commitment by the states of the two alliances not to be the first to use against the other either nuclear or conventional arms and, consequently, not to be the first to use military force against the other at all.

Not long before the Prague meeting important proposals on ways toward a real diminution in the threat of nuclear war were set forth in the report of Yu.V. Andropov, general secretary of the CPSU Central Committee, "Sixty Years of the USSR". They concerned primarily the Soviet-American negotiations on limiting and reducing strategic arms and on limiting nuclear arms in Europe. A response is now awaited from the United States. It was emphasized here that "a policy based on an endeavor to achieve military superiority over the Soviet Union is futile and capable only of increasing the threat of war."

In order to better understand the profundity and realistic nature of the evaluation of the international situation and the conclusions drawn at the Prague meeting it is useful to turn to the recently concluded UN General Assembly 37th Session. Two diametrically opposite courses clashed in the course of its work: the policy of strengthening peace and international security, limiting armaments and disarmament and doing away with the centers of racism and colonialism and the policy of spurring tension, a further twisting of the arms race spiral and the suppression and oppression of the peoples. The session was held in the atmosphere of difficulties in international relations which have arisen through the fault of the United States and the arms race, which they are spurring on on an unprecedented scale. Israel's aggression in Lebanon, the armed conflict between Great Britain and Argentina over the Falkland (Malvinas) Islands, the sallies of the racists in Southern Africa--such were the features which supplemented this picture, leaving their imprint on the session. But there were also other, positive factors. First of all, the session was held under the conditions of consolidation of the forces opposing

imperialism and supporting the removal of the nuclear threat and the peoples' right to a free and independent existence and development. Great significance was attached to the upsurge in countries of the West of the antiwar, antinuclear movement of broad masses of the public.

It is utterly impossible to agree with those who are attempting to instill in people that strength and weapons decide and always will decide everything. It was precisely to this fact that Yu.V. Andropov, general secretary of the CPSU Central Committee, pointed in his speech at the CPSU Central Committee 22 November 1982 Plenum: "The peoples are now moving into the forefront of history more than ever before. They have acquired the vote, which cannot be suppressed. They are capable through assertive and purposeful action of removing the threat of nuclear war, preserving peace and, consequently, life on our planet. And the CPSU and the Soviet state will do everything to ensure that it be thus."

The 37th session emphasized that the most burning problem which continues to disturb mankind remains averting the nuclear danger hanging over the world. It was this concern which determined the content of the speeches of many delegations and was reflected in many resolutions passed by the General Assembly.

At the center of attention of the session were the initiatives of the USSR--on an immediate halt to and prohibition of nuclear weapons tests and on removal of the threat of nuclear war and ensuring the safe development of nuclear power. Together with this there was continued examination of the initiative which the Soviet Union had presented at the General Assembly 36th Session and developed at the Second Special Disarmament Session--on no first use of nuclear weapons. The interest in the Soviet proposals is understandable: they are all geared to the solution of the main task--diminution of the nuclear threat.

The question of the complete and general prohibition of nuclear weapons is not in itself new. It has been on the agenda of international politics for approximately three decades. Some things in this sphere have already been achieved: the Moscow Treaty Banning Nuclear Tests in the Atmosphere, Space and Under Water has been in existence since 1963, and the USSR and the United States have formulated and signed the Treaty Limiting Underground Nuclear Tests and the Treaty on Peaceful Nuclear Explosions. However, the Moscow Treaty does not affect underground nuclear weapons tests, and China and France do not subscribe to it. As far as the said Soviet-American treaties are concerned, they have not, as is known, been ratified through the fault of the United States.

Yet in recent years the task of the complete and general prohibition of nuclear weapons tests has become particularly serious. The United States' policy of achieving military superiority has led to the arms race spiral taking a particularly steep upward turn precisely in the nuclear sphere, increasingly moving into the plane of a qualitative improvement in nuclear arms. A halt to nuclear weapons tests would erect a real barrier in the way of the creation of new types of nuclear weapons and prevent the appearance of their most destabilizing types designed for delivering a first strike.

Whereas prior to the R. Reagan administration's assumption of office the United States had at least not refused to negotiate on this issue (Soviet-American-British negotiations were conducted in 1977-1980 on the prohibition of nuclear weapons tests in the course of which it had been possible to agree on practically the entire text of a future treaty), it has now suspended them and is sabotaging the start of multilateral negotiations on this issue in the Disarmament Committee, declaring that the conclusion of such a treaty is "inopportune".

The change in Washington's policy caused a storm of indignation at the 37th Session. The U.S. position (on the testing issue--Yu.K.) is incompatible with the commitments which it had assumed in respect of the almost 20-year-old... Partial Test Ban Treaty and which it confirmed 5 years later in the Nuclear Nonproliferation Treaty," Nobel Prize Winner G. Robles, Mexico's representative, for example, declared. "A great nuclear power has with cynical disregard embarked on the realization of a vast program of the development of nuclear weapons, which presupposes predominantly nuclear tests," the Nigerian delegate noted. Even certain U.S. allies (Italy, Japan, Australia) advocated the immediate conclusion of a treaty on the complete and general prohibition of nuclear tests. It was emphasized here that the question of monitoring the prohibition of such tests has been so well studied and developed that it could not serve as an obstacle to the signing of a treaty and that U.S. references to difficulties in this sphere are no more than a smokescreen whose purpose is to confuse world public opinion. This, inter alia, was how the above-mentioned G. Robles categorized the U.S. position.

The Soviet proposal on a complete and general prohibition of nuclear weapons tests is not only relevant but entirely specific and realistic. The basic provisions of the corresponding treaty proposed for examination by the General Assembly have taken account of all that is positive that has been achieved in the course of the many years of discussion of this problem at various fora and reflect the supplementary considerations of many states, particularly on the question of monitoring observance of the future treaty. The General Assembly approved the Soviet proposal by an overwhelming majority. Only the United States, Britain, France and China voted against. Even their allies did not follow them, preferring to abstain.

The resolution adopted on the Soviet proposal calls on the Disarmament Committee to urgently begin practical negotiations to draw up a draft treaty on the complete and general prohibition of nuclear weapons tests. The Soviet document, which contains the basic provisions of the draft and which is being handed over to the Disarmament Committee, constitutes a good basis for such negotiations. It is now important to ensure that the committee be able to fulfill the General Assembly's recommendation.

A pronounced influence on the course of the session was also exerted by another initiative of the Soviet Union--on removing the threat of nuclear war and ensuring the safe development of nuclear power. The rapid development of the peaceful use of nuclear power in many countries is an inevitable and increasingly accelerating process and poses with all seriousness the question

of preventing the deliberate destruction of nuclear power stations, research reactors and other such installations. Such destruction, carried out with the use of conventional weapons even, is capable of causing the discharge and dispersion of a huge amount of radioactive substances, which in terms of its disastrous consequences for the population would be the equivalent of a nuclear explosion. For this reason the Soviet Union has proposed that the deliberate destruction of peaceful nuclear facilities with the use of conventional weapons even be declared essentially tantamount to an attack using nuclear weapons, that is, the kind of action which the United Nations has categorized as a most heinous crime against mankind. The idea of the Soviet proposal was reflected in a whole number of resolutions adopted by the General Assembly, particularly on the IAEA report in connection with Israel's attack on Iraq's nuclear center. In accordance with a General Assembly decision, it was recommended that the Disarmament Committee continue to study the problem of banning attacks on nuclear installations.

Many delegations welcomed the Soviet Union's undertaking not to be the first to use nuclear weapons and called on the other nuclear powers to follow this example. As far as the United States, Britain and France are concerned, they, not wishing to follow the example of the Soviet Union and regarding nuclear weapons as the main "trump card" in military plans, asserted that declarations on no first use of nuclear weapons are "impossible to monitor" and that they "enshrine the right" to use conventional arms and so forth. The far-fetched nature of such "arguments" was pointed out by, for example, the Sri Lanka representative, who recommended that the Western powers make a declaration analogous to the Soviet declaration which "would not only represent an appropriate response but also deflect the impending shadow of the threat of nuclear war."

The resolution adopted by the General Assembly on the proposal of the GDR and Cuba (115 countries voted for it) notes that the USSR declaration on its no first use of nuclear weapons serves as "an important step on the way to a lessening of the threat of nuclear war" and expresses the hope that the other nuclear states will follow this example. Only the Western states opposed it. The session also supported India's proposal on the conclusion of a convention on the nonuse of nuclear weapons. It is recommended that the Disarmament Committee start negotiations to arrive at a corresponding understanding. A resolution was adopted on the initiative of Argentina which contains an appeal to the Disarmament Committee for a start on priority negotiations for agreement to be reached on measures to prevent nuclear war.

The idea of a nuclear "freeze" has become increasingly widespread recently in many countries, including the United States. And this idea has now been supported by the General Assembly. Some 122 votes were cast for a resolution proposed by India calling on all the nuclear states to agree to a freeze which would provide simultaneously for a complete halt to the further production of nuclear weapons and a complete halt to the production of fissionable materials for the creation thereof. The Western countries voted against, and China also failed to support India's proposal. A resolution which calls on the United States and the USSR to declare a bilateral freeze on nuclear weapons was approved by 119 votes. The United States, Britain

and France voted against, claiming that this measure would enshrine the USSR's "nuclear superiority". However, in the same resolution the General Assembly expressed a different opinion; it says that the "USSR and the United States currently have identical nuclear military might and that, as would appear obvious, there exists between them an overall approximate parity."

Of course, the General Assembly could not overlook the talks in Geneva between the Soviet Union and the United States on limiting and reducing strategic arms and limiting nuclear arms in Europe. Many delegations expressed concern in connection with the lack of progress at these negotiations. This concern was manifested, in particular, in a resolution which called on both participants in the negotiations "to exert the maximum efforts to achieve specific results in the course of these negotiations." Indeed, their progress does not yet inspire optimism. The reason is that the United States is attempting, in violation of the principle of equality and equal security, to achieve basically a reduction in Soviet arms. As far as the approach of the Soviet Union is concerned, it was set forth with exhaustive clarity by Yu.V. Andropov, general secretary of the CPSU Central Committee, at the CPSU Central Committee 22 November 1982 Plenum: "We support the search for a healthy basis, acceptable to the sides, of a solution of the most complex problems and primarily, of course, the problems of curbing the arms race, both nuclear and conventional. But let no one expect of us unilateral disarmament. We are for equality, consideration of the interests of both sides and an honest agreement. We are ready for this."

The concern of many states at the state of affairs at the Soviet-American negotiations was reflected in a draft resolution submitted by the Mexican delegation. This document correctly observes that the question being examined by the two countries concern not only the USSR and the United States but also vitally important interests of all peoples of the world. At the same time the resolution contains an attempt to bring up for the UN General Assembly's examination what is the subject of the bilateral negotiations and is the prerogative of their participants. Considering the confidential nature of the Soviet-American negotiations, the Soviet Union did not support this resolution, although treated the concern of its authors at the state of affairs at the negotiations with understanding.

Great disquiet in the world is caused by the nuclear preparations being made in Israel and South Africa. Both the Israeli aggressors and South African racists link with nuclear weapons far-reaching plans of expansion and the establishment of domination over neighboring states, which they intend to accomplish by relying on the assistance pouring in from the West in a broad stream.

Special resolutions of the UN General Assembly condemned all forms of nuclear cooperation with the Pretoria regime and Israel and recommended other measures to control both states' nuclear activity. Two others--on the creation of nuclear-free zones in the Near East and in Africa--echo these resolutions.

As at preceding sessions, the General Assembly advocated the speediest implementation of the Soviet proposals on strengthening guarantees of the

nonnuclear states' security by way of the conclusion of an appropriate convention and on the development of an international agreement on the nondeployment of nuclear weapons on the territory of states where they do not exist at the present time.

We dealt above with measures aimed at a diminution in the nuclear threat and a limitation of nuclear arms. While persistently advocating their realization the Soviet Union at the same time is not losing sight of the main, radical task--a reduction in and liquidation of nuclear weapons in all their forms. At its suggestion the General Assembly adopted a resolution calling on the Disarmament Committee to immediately embark on negotiations for the development of a program of nuclear disarmament as far as the complete liquidation of nuclear weapons. The resolution recommends that the Disarmament Committee create an official working group for these negotiations.

The problem of preventing the further proliferation of nuclear weapons is linked with the task of achieving nuclear disarmament. Taking account of the wishes of many nonnuclear countries, the Soviet Union declared in the summer of 1982 at the UN General Assembly Second Special Disarmament Session its readiness as an act of good will to put some of its peaceful nuclear installations--several nuclear power stations and research reactors--under the supervision of the IAEA. At the 37th Session the USSR expressed a readiness to begin negotiations with the IAEA for the purpose of concluding a safeguards agreement.

There is great danger for mankind in the Reagan administration's decision on the full-scale production of neutron weapons. A resolution approved by the General Assembly on the initiative of the GDR and other socialist states is aimed at preventing the creation of these barbaric weapons of mass destruction. The resolution confirms the need for an immediate start on negotiations in the Disarmament Committee for the conclusion of a convention banning the development, production, stockpiling, deployment and use of neutron weapons, which has constantly been opposed by the United States. Back in 1978 the socialist states submitted to the Disarmament Committee the draft of such a convention. However, the United States and other Western states are still blocking agreement on its text.

Washington has recently engaged in wide-ranging activity on the militarization of space, regarding space weapons as an important means of securing its military preponderance. In the 1982 fiscal year \$6.8 billion were allocated for the Pentagon's space programs. In addition to this department a wide-ranging military-space program is being implemented by NASA. According to David Richie, the author of "War in Space," a book which was published recently in the United States, "the Pentagon is presently the actual boss of NASA" inasmuch as "it controls the Shuttle project, which constitutes the main purpose of the administration's existence." In the next 5 years the resources allocated for the development and deployment of missile and laser weapons in space and intensive work on the creation of active resources for striking space targets will increase by an annual 10 percent.

Particular urgency is attached to the question of preventing an arms race in space in the light of these preparations. A proposal advanced in 1981 by the

Soviet Union for the conclusion of a treaty banning the deployment of weapons of any kind in space is aimed at its solution. The study of this initiative, which began at the preceding General Assembly session, was continued at the 37th Session also. The Western states again attempted to counterpose to the Soviet proposal their own idea of the banning of antisatellite systems. However, the banning of such systems is only part of the problem. The Soviet draft treaty puts the question considerably more broadly: it deals with preventing an arms race in space as a whole. The problem of antisatellite systems also could be examined in this context. Furthermore, the Soviet Union is ready to resume the Soviet-American talks on antisatellite weapons unilaterally suspended by the American side.

It was precisely this broad approach which prevailed at the session. "We do not want space to be used for aggressive military purposes, and my delegation will strive actively for the adoption of practical measures to ensure that the arms race not spread to space," the Nigerian representative, for example, declared. The delegations of certain Western states (Australia, for example) even expressed themselves similarly.

The socialist and nonaligned states presented a uniform draft resolution on preventing an arms race in space which was adopted overwhelmingly. It provides for negotiations in the Disarmament Committee on the conclusion of an agreement for preventing an arms race in space in all its aspects.

In the complex of tasks for limiting and banning weapons of mass destruction a particular place is occupied by chemical weapons. The Soviet Union's advancement in June 1982 of the basic provisions of a conventional banning the development, production and stockpiling of chemical weapons and their destruction contributed to a stimulation of the corresponding negotiations in the Disarmament Committee. However, the negotiations were impeded by the United States, which caused a variety of interference en route to the achievement of an accord. One such means of sabotage is the slanderous campaign unleashed by Washington aimed at attributing to the Soviet Union participation in some alleged use of chemical weapons in Laos, Kampuchea and Afghanistan. In 1980 at the 35th Session which essentially repudiated the United States' slanderous inventions. Washington strove for an extension of the group's mandate and continued to palm off onto the group so-called "victims" and "witnesses" of alleged attacks in which chemical weapons were used. Finally, the group of experts submitted a new report to the 37th Session. The finding of the experts in respect of these so-called "victims" is significant. "The group was unable to detect signs and symptoms which would indicate that these people were victims of an attack in which chemical weapons were used." The provocative slanderous venture culminated in complete failure.

The General Assembly again confirmed the need for the speediest conclusion of a convention banning the development, production and stockpiling of all kinds of chemical weapons and their destruction and proposed that the Disarmament Committee stimulate negotiations for the speediest conclusion of such a convention.

A characteristic feature of the arms race at the current stage is the fact that it is shifting increasingly to the plane of a qualitative improvement in the weapons. In this connection the following two resolutions were adopted at the proposal of the Soviet Union: one called on all states to ensure the use of scientific and technical achievements exclusively for peaceful purposes, the other recommended that the Disarmament Committee stimulate negotiations for the preparation of a draft agreement banning the development and production of new types of weapon of mass destruction and new systems of such weapons.

The U.S. policy of declining negotiations on questions of disarmament and of winding them down and impeding them was sharply criticized at the session. A special resolution drawn up by the delegations of the GDR and a number of nonaligned states emphasizes the need for the speediest completion of the negotiations being conducted both within the Disarmament Committee framework and along other channels.

Considerable attention was paid at the session to the question of a world disarmament campaign. A resolution adopted on the initiative of Bulgaria says: "The world disarmament campaign is designed to increase interest and broaden support on the part of the public with respect to the achievement of agreements on measures to limit arms and for disarmament aimed at the achievement of the goals of general and total disarmament under effective international control." This is the General Assembly's response to the public movement, which is unprecedented in its scale and assertiveness, against the threat of nuclear war and for disarmament which had developed in the world in recent years.

Altogether the General Assembly 37th Session adopted 59 resolutions (26 of these on problems of nuclear disarmament) on questions of limiting arms and on disarmament. This is testimony to the exclusive attention paid by the world community to the disarmament problem. At the same time the adduced figure also indicates serious differences in the positions of different states on this question, by virtue of which two and, sometimes, three resolutions were adopted on one and the same question.

Since 1971 the United Nations has been studying the question of declaration of the Indian Ocean as a zone of peace. It is now a matter of convening a conference on the Indian Ocean. Its realization, originally scheduled for 1981, is being blocked by the United States, which is unwilling to limit its naval activity in this region, which has become for it recently an arena of a persistent arms buildup.

The session confirmed its decision to convene a conference on the Indian Ocean in Colombo (Sri Lanka) and recommended that the UN Special Committee on the Indian Ocean complete preparations for the conference, including examination of questions in connection with its convening no later than in the first half of 1984.

It is symptomatic that the socialist and nonaligned states in the majority of cases acted either jointly (as, for example, on the question of preventing an arms race in space) or offered each other's resolutions mutual support.

The United States voted against 20 resolutions on disarmament issues. Most indicative, perhaps, from the viewpoint of the growing isolation of the United States was its vote on the resolutions connected with the banning of nuclear weapons. It opposed all three proposed resolutions, including the resolutions of a number of Western states--Australia, New Zealand, Japan, Canada and the Netherlands. It attempted to impede the adoption of resolutions on preventing nuclear war, banning first use of nuclear weapons, banning the use of nuclear weapons altogether, a nuclear arms freeze, on nuclear disarmament negotiations, banning neutron weapons, on measures against the nuclear armament of Israel and South Africa, banning the deployment of nuclear weapons on others' territory, preventing the spread of the arms race to space and on a whole number of other issues. Four times the United States found itself completely isolated, losing the support of its closest allies even. In many other instances it was supported by one-two states such as Israel and Britain. In other words, at the last session the United States counterposed itself on disarmament issues not only to the socialist and nonaligned states but to many of its allies also.

The development of a world treaty on the nonuse of force in international relations has been under way for a whole number of years in the United Nations. Back in 1972 at the suggestion of the Soviet Union the General Assembly adopted the resolution "The Nonuse of Force in International Relations and Prohibition of the Use of Nuclear Weapons for All Time". In 1976 the USSR put forward the draft of a world treaty on the nonuse of force in international relations. A special UN committee has been operating since 1978 which is studying the question of its development.

At the last session this question attracted special attention in the context of common efforts to prevent the threat of nuclear war. Opposing the conclusion of a treaty on this occasion also, the United States and certain other Western states essentially showed that they support the use of force in all its aspects--nuclear and conventional. This position was irrefutable evidence that the West's "counterarguments" against assuming a commitment on no first use of nuclear weapons are of a purely demagogic nature. Despite Washington's obstruction, the session adopted by 119 votes a resolution on continuation of the development of the draft treaty in the UN special committee. It is significant that the U.S. position was not supported even by some of its allies: the FRG and Turkey abstained, and Greece voted for the resolution.

A big place at the session was occupied by questions connected with the situation in the Near East. In the very first days of its work the General Assembly practically unanimously condemned Israel's bloody crimes against the Palestinian civilian population in Lebanon. It expressed profound disquiet in connection with the continuing explosive situation in the region. In a whole number of resolutions the General Assembly condemned Israel's continuing occupation of Arab territory and emphasized the need for an all-embracing, fair and lasting settlement of the Near East problem, which should provide primarily for the complete withdrawal of Israeli forces from the Arab land occupied in 1967 and the Palestinian people's exercise under the leadership of the PLO of their inalienable rights, including the right to create their own sovereign state. The General Assembly again rejected the policy of separate

deals as being contrary to the principles of a settlement of the problem and violating the rights of the Palestinian people. One resolution emphasized particularly that the agreement between the United States and Israel on "strategic cooperation" encourages Israel to pursue an aggressive, expansionist policy and is being reflected negatively in the efforts to establish a universal, just and lasting peace in the Near East. Having voted together with Israel against these decisions, the United States found itself totally isolated and once again exposed itself as an accomplice of the aggressor.

The results of an examination of Near East issues confirms that the most effective way to settle them is the convening of a special international conference.

The assembly advocated the solution by peaceful means of the Iran-Iraq conflict and the problem of the Falkland (Malvinas) Islands. The Soviet Union supports precisely such an approach.

The events in the South Atlantic showed graphically the serious threat to international peace and security posed by the preservation of vestiges of colonialism. Under these conditions the assembly's decision on the immediate realization in toto of the Declaration Granting Independence to Colonial Countries and Peoples, which was adopted on the initiative of the USSR in 1960, had a particular resonance. Only the United States and Britain opposed the decision. A resolution was adopted for the first time at the session (by 123 votes) condemning colonial powers' military activity on colonial territory and calling for the dismantling of all military bases there. On this occasion also the United States together with other Western countries voted against.

The examination of socioeconomic and international law problems showed the growing realization of the fact that a settlement of these problems is closely connected with a solution of global task No 1--averting the threat of nuclear war. A resolution was adopted on the initiative of the socialist states which emphasizes that there is currently no more important question than the preservation of peace and securing each person's primary right--the right to life.

Importance is attached to the resolutions concerning the flagrant and mass violations of human rights and basic freedoms in a number of countries. They condemn the repression and terror perpetrated by Israel and South Africa and the military juntas in El Salvador, Chile and Guatemala, which rely on the support of the United States.

A resolution adopted overwhelmingly in spite of the U.S. counteraction on the principles of states' use of artificial Earth satellites for direct international television transmissions contributes to the strengthening of international law and order and mutual understanding.

As at preceding sessions also, the United States again dragged up for discussion the so-called "Afghan" and "Kampuchean" questions for the purpose of spurring tension in Southwest and Southeast Asia. However, the majority of

participants in the assembly displayed no interest in these artificially exaggerated "problems". The discussion showed that the idea of a political settlement of the question in connection with the situation concerning Afghanistan is winning increasingly extensive recognition. The Afghan-Pakistani talks in June 1982 in Geneva with the mediation of the UN secretary general's personal representative were assessed by many delegations as a step in the right direction.

The results of the UN General Assembly 37th Session testify that the U.S. policy of spurring tension, adding a further twist to the arms race spiral and maintaining relations of domination and subordination in the world is being increasingly sharply condemned by the overwhelming majority of states. Even Washington's allies acted from different positions on a whole number of issues.

At the same time the results of the session indicate that the peace-loving policy of the Soviet Union and other socialist states essentially reflects the most profound aspirations and fundamental interests of all peoples of the world. The session demonstrated the big opportunities of the peace-loving forces as a major positive factor in contemporary international life. It emphatically demanded a halt to the present dangerous development of events and that they be turned into a healthy channel and the accomplishment of the tasks of preventing a nuclear war and limiting and reducing arms, nuclear particularly.

The considerations and proposals on the ways and means of surmounting the present difficulties in international relations which were put forward in the Political Declaration of the Warsaw Pact states, which was adopted at the Prague meeting, are a further development of these states' concerted line at the UN General Assembly 37th Session. Thus the idea of the conclusion of a treaty on the mutual nonuse of military force and the preservation of peaceful relations is a new step in the direction of the exclusion of the use of force in international relations developing the fraternal countries' proposals on no first use of nuclear weapons. This initiative, which is addressed primarily to the NATO states, goes beyond a regional framework. First, it presupposes the assumption by the states of both alliances of a commitment on no first use of military force not only against each other but also against third countries, both those which share bilateral allied relations with them and nonaligned neutral states. Second, an essential part of the treaty could be an undertaking by the states of the two alliances not to threaten the security of international sea, air and space communications and passage across space to which national jurisdiction does not extend. Third, the treaty is open for the equal participation therein of other states who so desire.

The proposals of the Warsaw Pact states formulated in the Political Declaration adopted in Prague constitute the sole prudent alternative to the present dangerous course of events.

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REAGAN'S DECEMBER 1982 LATIN AMERICAN TOUR DISCUSSED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2,
Feb 83 pp 93-98

[Article by A. Atroshenko: "Reagan's 'Discovery' of Latin America"]

[Text] "It's amazing! All of them, it turned out, have their own individual character," President R. Reagan exclaimed on his return from a 5-day tour of four Latin American countries--Brazil, Colombia, Costa Rica and Honduras--in December. Having reported this, THE WASHINGTON POST wrote: "Diplomats feared that the President's words would be interpreted as a naive and tactless admission that all Latin Americans had hitherto seemed alike to him."* And hereupon the system typical of the so-called "Reagan style of diplomacy" went to work: the representative of the State Department who spoke after this "explained" that the U.S. President "did not wish to say that he was amazed" but expressed himself in the sense that "many Americans, including the reporters who accompanied him, probably do not know that big differences exist between Latin American countries" (!) Could better evidence be cited of the imperial arrogance of R. Reagan's entire Latin American policy which was manifested strikingly in the course of his first visit to the "southern neighbors' zone"?

The fact that the present U.S. President's trip was characterized by considerably less splendor and attention to the ceremonial and entertainment parts of the program than his June visit to West Europe, for example, also catches the attention. And this testifies for the umpteenth time to the seriousness of the reasons which prompted the head of the White House to set off on a journey of 11,000 miles. This was also indicated by the composition of the persons accompanying Reagan: National Security Adviser W. Clark, Secretary of State G. Shultz, Treasury Secretary D. Regan and other high officials.

I

The purpose of the trip officially proclaimed by the President himself was to discuss measures designed to "return the economies of our countries to a path

* THE WASHINGTON POST 6 December 1982.

of growth, ease the threat to peace and security and contribute to the further development of democracy" in Latin America. "This will be a trip in the name of democracy and peace," Reagan emphasized on the day of departure from Washington. The Western, including the American, press detailed considerably more candidly and broadly the true tasks of the trip, which were inevitably disguised by such demagoguery. The opinion was expressed, in particular, that the main one was the restoration of U.S. authority and influence in the region, which had been seriously undermined by Washington's openly pro-British position in the course of the Falklands (Malvinas) crisis and the negative consequences of "Reaganomics" for the Latin American states.

A factor of a domestic political nature which prompted the head of the White House to take up comparatively quickly the invitation of Brazilian President Joao Baptista Figueiredo was his endeavor to consolidate his positions in the United States itself. The failure of the Republican administration's attempts to revive the economy and reduce unprecedentedly swollen unemployment and Washington's numerous unpopular foreign policy actions had undermined the President's authority appreciably in the eyes of ordinary Americans, which was graphically demonstrated together with public opinion polls by the November mid-term congressional elections. "Now, when his working coalition in Congress has been damaged...", THE WASHINGTON POST wrote, "Reagan is attempting to follow the example of other presidents, who turned to international affairs when they lacked the votes for pushing their programs on Capitol Hill."*

The President's itinerary was planned in the expectation that it would include countries in which U.S. policy, in Washington's assumptions, could not be subjected to unduly harsh criticism. For example, although it was stressed in every possible way that the trip would demonstrate Washington's allegiance to the principles of the "triumph of democracy" in the countries of the region, in accordance with the above-mentioned considerations, the tour did not include such countries as Mexico, Venezuela and Peru, where bourgeois-democratic governments are in power, whereas in Brazil the process of transition from military dictatorship to civilian rule has only just begun, while in the Central American countries with whose presidents Reagan met antipopular terrorist dictatorships are in power. At the same time, on the other hand, the program of the visit did not include meetings with such odious personalities as the Chilean and Haitian dictators, for example.

An important international policy factor which brought about R. Reagan's Latin America trip was the sharp exacerbation of the crisis of the so-called inter-American system--a set of military-political treaties and organizations (primarily in the shape of the OAS) formed immediately after World War II for combating the imaginary "communist threat". The fact that in the course of the Falklands (Malvinas) crisis Washington flagrantly violated its commitments in respect of the "Rio Treaty" (1947) on the "joint repulse of aggression" perpetrated in respect of one of its participants (Argentina) and in fact took

* THE WASHINGTON POST 6 December 1982.

the part of its NATO ally--Great Britain*--contributed to the increased centrifugal tendencies in the inter-American system. In Latin America ever increasing popularity is being won by the ideas of a fundamental revision of the security concepts imposed by Washington, the creation of a collective security system without U.S. participation, renunciation of the principle of discrimination in respect of states with a different social system, a strengthening of relations with the nonaligned movement and the more independent determination of the nature and level of relations with the socialist states.

A task of considerable importance of the U.S. President's Latin America trip was also a quest for new disciples for his policy in the region. In this case a particular gamble was being made on Brazil, to the cajolement of which R. Reagan assigned a large part of his time--over 3 days--compared, for example, with the 5-hour lightning visit to Colombia. We recall that back in 1976 the White House signed with Brazil a so-called "Memorandum of Mutual Understanding," which provided for regular consultations on international problems. However, shortly after there was a sharp deterioration in bilateral relations, particularly owing to the J. Carter administration's criticism of "human rights violations in Brazil". As early as 1977 this country denounced a number of agreements on military cooperation with the United States and later, despite the strongest pressure of Washington, refused to boycott economic and other relations with the USSR on the pretext of the events in Afghanistan. Nor did Brazil support the White House's policy in Central America. Reagan thus had to attempt to overcome these and other accumulated difficulties in American-Brazilian relations.

The United States does not conceal its intention of striving for a breakthrough in the development of events in the Central American subregion, where, despite the resistance of foreign and domestic reaction, the Nicaraguan revolution is gaining strength, increasingly new military-political successes are being won by the insurgent movement in El Salvador and the Guatemalan partisans are stepping up the struggle. Washington sees as its priority task the isolation and crushing of the Nicaraguan revolution in interaction with Somocista bandits and reactionary regimes, particularly Honduras (on whose territory these mercenaries have dug in), El Salvador and Guatemala. For this purpose it was originally planned to hold a meeting of the heads of the regimes of these three countries with Reagan in Costa Rica. But the Costa Rican Government, according to THE NEW YORK TIMES, turned down Washington's proposal for a mini-"summit" in San Jose without the participation of Nicaraguan representatives, agreeing only to the arrival in Costa Rica for a meeting with the U.S. President of Salvadoran "President" Magana. Then the White House planned Reagan's visit to Honduras also for a meeting with the head of this state, Cordova, and the Guatemalan dictator R. Montt.

* Not long prior to R. Reagan's trip the United States--manifestly with the aim of correcting the impression of direct support for London in the course of the above-mentioned crisis--voted in the United Nations for an Argentine resolution which called on Britain and Argentina to resume negotiations on a peaceful settlement of the problem, which was sharply condemned on the banks of the Thames. In addition, as the American press reports, a meeting in Brazil with the Argentine military leadership also figured in the original plans of the trip, but was canceled on the initiative of Buenos Aires.

The Nicaraguan leadership sharply condemned the goals and nature of the U.S. President's tour. The mere fact that only Nicaragua would not participate in the dialogue in Central America made it perfectly clearly understood what subject would be dealt with and against whom the plans for an "offensive" would be developed, H. Ruiz, prominent Nicaraguan politician and military figure, declared.

In addition to the discussion of problems of coordinating the struggle against the revolution in Nicaragua and the people's movement in El Salvador and Guatemala, Reagan wished to demonstrate in the course of the trip support for the most reactionary forces of the subregion. One detail is noteworthy: not more than a month prior to this visit D. Hinton, the U.S. ambassador in El Salvador, leveled sharp accusations at the extreme right cutthroats terrorizing the civilian population and threatened a cutoff of American aid to the Salvadoran regime. The latter reacted very promptly: literally a day before the above-mentioned meeting of Magana and Reagan, the creation of a so-called Human Rights Commission in which a leading role had been assigned none other than... the national police chief was announced. The meeting itself was designed to show that Washington would never leave the Salvadoran regime "in the lurch". There was a similar concealed meaning to the meeting with Montt: the U.S. President attempted to help the dictator break out of the ring of isolation in which the Guatemalan regime had found itself because of the genocide which it has perpetrated against its own people.

In other words, the visit of the head of the White House to Central America was to contribute to the consolidation of reactionary circles of the subregion and their switch to the counteroffensive against the revolutionary and democratic forces. It was not fortuitous that on the eve of the trip reports appeared in the American press on the creation in Fort Bragg (North Carolina) of a highly mobile powerful military grouping--the so-called Joint Operations Counterinsurgency Group--which is intended for operations in Central America. The Central American "gorillas," in turn, are peddling plans for the conclusion of a military alliance between El Salvador, Honduras and Guatemala to "counteract subversive activity". As the commander of the Honduran armed forces recently admitted not long before the U.S. President's visit to the country, the armies of these states are "already involved in coordinated operations," exchange "intelligence information" and support one another "when conducting certain operations."

II

Considerations of an economic nature also figured, of course, among the important motives behind R. Reagan's Latin America trip. This region, from which the United States obtains much raw material and food (oil, tin, bauxites, bananas, sugar, coffee) and where approximately two-thirds of the American transnational corporations' investments in the developing world are concentrated, has traditionally been a zone of American imperialism's economic expansion. It is sufficient to say that in 1981 the U.S. balance in trade with Latin America (and, correspondingly, the latter's deficit) constituted approximately \$9 billion, and from their direct investments in the region American corporations obtained in 1980 over \$38 billion of profit.*

* THE FINANCIAL TIMES 16 November 1982.

In order to ensure the uninterrupted transfer of financial resources from Latin America to the United States Washington extends to these states extensive credit--both in conjunction with its leading Western partners (through the IMF and other international financial organizations) and unilaterally (along AID and Export-Import Bank lines, for example). U.S. private banks, which have invested here as of the present over \$65 billion in the form of credit, have also been participating increasingly actively in such operations in recent years.*

As far as the Latin American states are concerned, for them such business ends in an inordinate swelling of the foreign debt, which by the end of 1982 had reached \$300 billion (\$100 billion of which to credit establishments and governments of developed capitalist states, \$200 billion to private banks). Interest payments on the debt alone annually "eat up" up to one-third of total export proceeds of the Latin American states. The consequences of Reaganomics (particularly the rise in discount rates in the United States) have led to a considerable exacerbation of the problem of the latter's foreign debt and an increase in the annual payments thereon (approximately \$5 billion in 1981 alone). The reduction in the prices of the Latin American countries' export commodities and the increased protectionist trends in Washington's foreign trade policy have complicated the situation even further, particularly if it is considered that for the Latin American states the expansion of exports is actually the sole possibility of meeting their foreign debt obligations.

In this situation there has been a sharp increase in criticism in Latin America of the United States' domestic and foreign economic policy. On the other hand, American financial circles, concerned for the fate of their assets in the countries of the region, have increased the pressure on the White House, prompting it to seek acceptable solutions in order, as THE WASHINGTON POST wrote, "not to go down the tubes themselves."** In setting off for Latin America Reagan was performing in this case the role of direct emissary of the U.S. monopolies.

The visit to Brazil took place under conditions where the country, having found itself in a difficult financial position, had appealed to the IMF for new credit of \$6 billion. The U.S. delegation brought with it as a kind of "philanthropic act" the U.S. Administration's decision to grant credit of the order of \$1.2 billion at a relatively high rate of interest (8-9 percent) for a term of 3 months (up to the completion of negotiations with the IMF). In this connection the Brazilian press emphasized that the public and business circles of the country were dismayed by the manner in which the U.S. delegation had begun the negotiations. "This is reminiscent of the 'Texas method,' when one party puts money on the table and begins the conversation," the JORNAL DO BRASIL observed.

Under the pressure of the Brazilian side, which sharply criticized the increase

* THE FINANCIAL TIMES 16 November 1982.

** THE WASHINGTON POST 3 December 1982.

in the United States in protectionist trends restricting, in President J. Figueiredo's words, Brazilian commodities reaching the world market, Washington had to give promises of some concessions in the sphere of trade policy. In particular, the White House promised to lift the restrictions on imports of Brazilian sugar and also to authorize rum imports; in addition, Washington undertook for 2 years not to object to Brazil's subsidizing of its exports in order to improve the country's balance of payments.

U.S. officials represented as a Reagan success the arrangement on the creation of several working groups at department level to discuss problems and extend cooperation in the economic-finance, nuclear, space, science-technology and military-industrial spheres. In particular, with the creation of the last group the American side directly links hopes for a resumption of military cooperation, which was broken off by Brazil in 1977, including the production of military equipment under American license and the probationary training of military personnel in the United States. R. Reagan proposed the training of a Brazilian astronaut in the United States.

However, as Brazil believes, the activity of groups set up at Washington's suggestion could seriously complicate the country's mutual relations with other developing states. For this reason, as the newspaper JORNAL DO BRASIL wrote, the government is not linking big hopes with the work of these groups. In the opinion of the newspaper ESTADO DI SAO PAULO, the groups "will not last long, disappearing as soon as the echoes of Reagan's visit subside."

On a number of important problems Washington was altogether unsuccessful in achieving its goals. R. Reagan's trip only emphasized once again the appreciable differences between the leadership of the two countries on many issues of world politics. In particular, President J. Figueiredo, according to Brazilian press reports, called on the head of the White House "to begin East-West negotiations while there is still a chance"; he expressed concern at the continuing--largely through the fault of Washington--conflict in the Near East and set out Brazil's viewpoint--different from the U.S. position--on the question of regulating the situation in Southern Africa. Concerning the situation in Central America, the Brazilian president emphasized: "We firmly believe that it is essential there, as in other areas, to respect the peoples' rights and the sovereignty of governments and that there should be no outside pressure and interference."*

As a whole, it may be considered that Washington's attempts to convert Brazil into a kind of "bridge" for the realization of its Latin America policy failed for the umpteenth time. According to THE WASHINGTON POST, a Brazilian Foreign Ministry employee observed ironically in this connection: "If you look at the map, you will find that we cannot be separated from the South American continent. We do not represent a 'bridge' leading from South America, we ourselves are in South America."** "Washington's hopes for 'special relations' with this country in the future are somewhat unrealistic," the paper sums up. In the course of Reagan's visit and after the country's prominent military and

* THE NEW YORK TIMES 3 December 1982.

** THE WASHINGTON POST 6 December 1982.

political figures emphasized again and again that the times of the automatic equation of Brazil with the United States in the foreign policy sphere have receded irretrievably into the past and that this visit, according to R. Ludwig, chief of the Military Household of the Presidency, will not lead to a change in the government's present policy.

Nor did the U.S. President encounter lesser problems in Colombia--a country where a new government headed by President B. Betancur, which has begun to revise certain directions of Colombian foreign policy, has been in office since August 1982. In particular, it has begun to depart from its predecessors' course of support for U.S. policy in Central America and declared its aspiration to establish closer relations with the nonaligned movement.

During Reagan's visit to Bogota Betancur sharply criticized U.S. policy in public, particularly in the sphere of trade, where a very difficult situation has come about for Colombia. For example, the country has become a major exporter of flowers, which have become the third most important Colombian export item (after coffee and bananas). In connection with the imposition of restrictions on imports thereof to the United States, tens of thousands of Colombians have been deprived of a means of livelihood. A similar picture is observed in the sphere of coffee, sugar and textile exports.

Appreciable differences also came to light in questions of U.S. policy in Central America. The Colombian president sharply condemned Washington's attempts to "isolate" and "sideline" certain countries of the subregion from participation in the inter-American system and its discriminatory approach to questions of assistance, manifestly hinting here at the U.S. policy in respect of Cuba and Nicaragua.

Under the sign of the condemnation of U.S. policy in respect of Latin America and Colombia there was a wave of protests against Reagan's visit. On the eve of his arrival in Bogota inscriptions appeared on the walls of buildings: "Reagan, enemy of peace, take off!" The Confederation of Workers of Cundinamarca Department issued a statement which said: "It is the American monopolies which are the main plunderers of our natural resources and which are responsible for the huge loans to which our country has been forced to resort." A number of public organizations of the Colombian capital declared Reagan persona non grata. On the day of his arrival there were several anti-American demonstrations in the center of Bogota, while along the U.S. President's route crowds of people shouted "Go home!"

The trips of the head of the White House to the Central American countries of Costa Rica and Honduras were of a different nature. Military-political questions prevailed here, although considerable attention was paid to the economic question also. Thus the Honduran president, who presented a detailed list of his regime's economic requirements, requested aid from R. Reagan. The U.S. President gave certain vague promises on this score, referring primarily to the need for Congress to approve his "Caribbean initiative"--economic and military "assistance" programs for countries of the Caribbean and Latin America.

However, the leading place in R. Reagan's speeches was occupied by promises of the utmost political and military support for the Central American reactionary regimes and unconcealed threats against Cuba and Nicaragua. He declared his readiness to facilitate continued aid for the Salvadoran regime. Having met with the Guatemalan dictator in Honduras, the head of the U.S. Administration hinted that he was seriously contemplating a resumption of the military assistance to his regime which had been suspended by the J. Carter administration for the provocative flouting of human rights there. "In the name of anticommunism," THE NEW YORK TIMES wrote, "the U.S. President has held a meeting with a tyrant who pursues a policy of mass killings." According to Democratic Congressman S. Solarz, "rendering military assistance to a government such as that of Guatemala, whose security forces are guilty of the murder of literally hundreds of thousands of citizens, would, in my view, make a laughing-stock of our claims to support human rights in Central America."

It is perfectly obvious that the plans of Reagan and Latin American reaction which were made public during the U.S. President's trip are only the tip of the iceberg. Its hidden part undoubtedly conceals considerably more ominous designs of U.S. imperialism and its Latin American hirelings in respect of the forces of democracy and social renewal. It was not fortuitous that the results of the trip were condemned and repudiated both by progressive forces of Latin America and in the United States is itself. "The President's visit," THE NEW YORK TIMES points out, "is evidently attended by a risk, namely, the impression could be gained that the United States is making common cause more than ever before with violent actions and not with economic progress."

However, it is by no means a matter of "impressions" but of specific facts and acts which followed the culmination of the visit, facts which shed light on the subjects of the talks, which were discussed behind closed doors and not illustrated in the press. And they are highly eloquent.

Immediately after Reagan's departure, the Salvadoran Army began an active offensive against the partisan throughout the country, and its main strike force, furthermore, were the battalions which had undergone training in the United States. As reported, these operations of the punitive forces were the biggest in recent months. In turn, El Salvadoran Foreign Minister Mena confirmed the authorities' rejection of any negotiations with the insurgents for a peaceful settlement of the country's problems, as proposed by the Farabundo Marti National Liberation Front. Literally 4 days after Reagan's trip, an armed band of counterrevolutionaries of several hundred men made an incursion (which had a sorry ending, it is true) into Nicaragua from Honduran territory to seize a beachhead in the country and declare it a "liberated zone".

R. Reagan's statements made in the course of the trip fit in perfectly with the logic and practice of the United States' current policy in respect of Latin America. And this visit is the latest eloquent manifestation of American imperialism's attempts to keep the region--despite the new realities--in the orbit of its domination and exploitation.

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PROGRESS, SHORTCOMINGS OF FRG'S 'GREENS' DETAILED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2,
Feb 83 pp 129-133

[Article by L. Istyagin: "The 'Greens' on the FRG's Political Landscape"]

[Excerpt] The movement of so-called civil initiatives developed in the first half of the 1970's in West Germany, as in many other capitalist countries. Its participants put forward various demands--from environmental protection through the implementation of certain social measures--and addressed them not to parliament, the government or political parties but directly to the public.

Far from all such initiatives elicited a broad response, and many of them remained comparatively local phenomena, but in West Germany the scale thereof caught the attention even then: dozens and sometimes hundreds of groups or organizations frequently created specially for this came out with initiatives of various kinds and content, which could not have failed to have testified to a general growth of dissatisfaction at the existing situation and political course both of the government and the opposition.

The political appearance of the civil initiatives was not distinguished by sufficient clarity, of which reaction, including the neofascists, initially attempted to avail itself in order to take charge of the new movement, tame it and direct it in its own channel. Among those who first put forward the idea of the founding of an independent "Greens" Party (that is, defenders of the environment and supporters of a change in the style and quality of life) was, inter alia, the inveterate Nazi A. Hausleiter. He and other members of the Union of Independent Germans grouping which he had created speculated on the ecology problem and showed that a "strong state" was essential for its solution. The rightwing Christian Democrat G. Gull, who in his views was not far removed from the avowed belated followers of Hitler, is also considered a "cofounder" of the Greens Party. In 1975 he produced the demagogic booklet "They Are Plundering the Planet," which enjoyed a highly clamorous success.

However, extreme reaction's maneuver with the ecology movement, which was fraught with the serious danger of a revival of fascism, was unsuccessful, as a whole. After some time it transpired that the "ecological right" of the Hausleiter or Gull type did not reflect the sentiments of the bulk of participants in the movement, and they had, together with their supporters, to

quit the party and dissociate themselves from the movement in the form which it had adopted on the eve and at the outset of the 1980's. Incidentally, according to some estimates, the "ecological right" leads approximately 2 percent of the West German electorate,* which, given certain conditions, could serve as a prop to the rising head of neo-Nazism.

There is no doubt that some "conservative Greens" remained in the party and continue to pursue their line there. But, as a whole, as of the start of 1980, when the charter and fundamental program of the Greens were adopted and when, consequently, they were constituted as a political party and not simply a conglomerate of groups, their profile was determined not by the rightwing and conservative but, on the contrary, by the radical groups, which on a number of issues were to the left of official social democracy, given all the provisional nature and a certain vagueness in this case of the term "left". According to a poll of the Bielefeld (Emnid) Institute for the Study of Public Opinion, approximately 54 percent of the Greens were in favor of what the institute defined as "left values," whereas among supporters of the SPD and FDP this proportion constituted only 17 percent.** It was noted, *inter alia*, that the Greens and their electorate were in the majority of cases less susceptible to such prejudices as anticommunism, nationalism, a negative attitude toward foreign workers and so forth.

The Greens' mutual relations with other political forces are indicative in this respect. They do not in principle reject a "dialogue" with the Social Democrats but in the majority of cases are in strict confrontation with the CDU/CSU and other rightwing and conservative political organizations. On the other hand, while demonstratively dissociating themselves from the Communist Party and the Young Socialists they participate in joint measures with them and engage in parallel actions.

A clearer idea of the party is provided by information, highly incomplete and scrappy, it is true, concerning its social and age composition. The majority of the party's 24,000 members are young people under the age of 30; there are almost no party members who are over 50 years old. The main environment where the Greens find their main support is young people with a relatively high level of education and various strata of intelligentsia. The young people, particularly students, who in recent years of economic upheavals have more often than others encountered difficulties and in this connection have manifested an inclination toward this form of protest or the other against social or political practices vote for the Greens.

According to some polls, 20 percent of young people aged 15 to 24 prefer the Greens among political parties (for comparison: the CDU/CSU 18 percent, SPD 24 percent, FDP 6 percent) and among those who have completed high school 29 percent even (CDU/CSU 18 percent, SPD 17 percent and FDP 8 percent). It was

* See "Die SINUS--Studie ueber rechtsextremistische Einstellungen bei den Deutschen," Hamburg, 1981, p 96.

** See DER SPIEGEL 6 April 1981, pp 35, 37; CAPITAL No 11, 1982, pp 143-144.

also recorded that the Greens and their related organizations (Mixed 5 Alternative and others) have their greatest influence in urban areas with predominant middle strata. In these localities the relative significance of the Greens among the young electorate (18-25) fluctuates between one-fifth and one-third.*

Relying on this social base, the Greens have scored big successes in elections. In the summer of 1979 they entered the elections for the European Parliament, having first created a bloc of their organizations--Special Political Association. Greens. Their result--3.2 percent (900,000) of the votes--meant under the FRG's specific conditions a considerable success. In the fall of the same year they entered the Bremen Senat, having obtained 5.1 percent. This was followed by a series of victories in the land and local organs of power. By the start of 1983 they had achieved representation in five FRG Landtags and in the West Berlin Senat.** True, at the 1980 Bundestag elections they suffered a reverse--they garnered only 1.5 percent--but this was to a considerable extent the result of a special maneuver: many supporters of the Greens voted not for their own party but for the SPD and FDP in order to bar the way to the Christian Democrat candidate--F.-J. Strauss.

At the 1980-1982 Landtag elections 5-8 percent of the electorate voted for the Greens on average. If they had obtained such a proportion at the Bundestag elections, they could either have become a fourth party together with the liberal-bourgeois FDP or could have ousted the latter, having taken its place of third component.

However, as far as can be judged, the role of an ordinary constituent part of the party-political machinery of state manifestly does not suit the Greens. Taking account of the mood of the social forces which support them, their leaders declared that they would regard themselves as an "antiparty" which aims the spearhead of its policy against the entire "Bonn party cartel" as a whole.

In accordance with this line, the deputies of the Greens in the Landtags sometimes come out with very acute unmasking criticism both of actions of the local authorities and government policy.

In the event of their entering parliament, the Greens intend together with use of the parliamentary platform to employ most intensively nonparliamentary methods of struggle in respect of all the questions troubling the population and the masses. Among these, together with environmental protection, an improvement in the quality of life, the struggle against unemployment, the housing need and the defense of democratic rights in party activity, a particular and ever increasing place was occupied by the question of the struggle against the military danger and for the prevention of a nuclear catastrophe and antimilitarism.

* See "Marxistische Studien. Jahrbuch des IMSF," 5, 1982 Frankfurt-am-Main, p 28.

** See BLAETTER FUER DEUTSCHE UND INTERNATIONALE POLITIK No 10, 1982, p 205.

The Greens did not immediately join the general stream of the mass antiwar movement. At the first stage many ecologist organizations and groups stood aloof from the fighters for peace, while "ecological right" figures of the Gull type even supported the well-known NATO "rearmament" slogan.

But the shifts in the structure of the movement, the preponderance rapidly acquired in the Greens Party by the young, critical element and, particularly, the entire political atmosphere which had evolved in the country under the influence of the antiwar ferment prompted the party leaders to change their course. Here, as the weekly DIE ZEIT claims, the Greens undertook "to pursue a peace policy, which was more convenient and which promised great success, and secretly hoped to regrind a new movement in their own mills."* However, having joined the movement, the Greens to a considerable extent--and to their own benefit--themselves experienced the influence of the antimilitarist masses.

Caught up in the logic of events, the Greens Party made its--considerable--contribution to the general struggle against the arms race and, primarily, against the deployment of new American missiles in the FRG. True, the Greens experienced a certain period of hesitancy in this respect. However, in the fall of 1980 there was a turning point--the party was one of the initiators of the Bielefeld Appeal against the deployment in the FRG of new American intermediate-range missiles, and its activists participated in the mass campaign for signatures to the appeal and contributed to a large extent to its brilliant success.

Despite certain friction and disagreement with other streams of the antiwar movement, the Greens and the Alternatives participated in the organization and realization of mass antiwar demonstrations in the fall of 1981 (particularly on 10 October in Bonn) and the summer and fall of 1982. If in 1981-1982 as a whole the antiwar protests in the FRG assumed a historically unprecedented scale, bringing the West German public to the vanguard positions of the struggle against the nuclear threat among other West European countries, credit for this undoubtedly also goes to the new party and the social forces and organizations supporting it.

The documents of the Greens and the speeches of their leaders increasingly often and increasingly distinctly contain the thought that struggle in defense of the environment is pointless if it does not at the same time oppose the growing military threat. Whence the aspiration to the merger and synthesis of the specifically ecological and antiwar slogans and tasks. "Ten years of struggle in the ecology movement," a leader of the Greens, P. Kelly, for example, declared, "have convinced me that the ecology movement cannot be an all-embracing movement if it does not incorporate the goals of the movement in defense of peace. The ecology for me means struggle against the exploitation of people and nature and, in the broadest meaning of the word, a policy of peace."**

The Greens Party's federal program emphasizes that "ecological foreign policy" is based on a renunciation of violence. "With the introduction of nuclear

* DIE ZEIT 10 November 1982.

** ROTE BLAETTER No 4, 1981, p 50.

weapon systems," this document points out, "war has acquired an entirely different dimension; with the appearance of the possibility of the annihilation of everything on Earth many times over it has generally become a weapon of the murder of peoples and a crime against life itself." Proceeding from this, the party declared that the "guiding principle" of West German foreign policy and strategy should be "peace and disarmament".

Specifically the Greens demanded a renunciation of the production and storing throughout the world of nuclear, chemical and biological weapons, the production and deployment of intermediate-range missiles, the creation of new weapons systems and the arms race as a whole. Here the Greens proposed that the FRG Government "begin" all this "in its country," taking unilateral disarmament steps.*

Although far from all the Greens' antiwar slogans are sufficiently convincing and conform to reality, their advancement as a whole stimulated public interest in the problems of peace and disarmament and strengthened antiwar sentiments.

Very many mass organizations, particularly youth organizations, became involved in the very populous debates which supporters of the Greens conducted throughout the country. Despite all the specific differences, their overall result was an increase in the antimilitarist keenness of the positions of considerable groups of the population and shifts in the mass consciousness in the direction of active nonacceptance of militarist goals and the policy of continuing and increasing military preparations.

The influence exerted by the Greens on the West German women's movement is indicative in this respect. The party called on West German women to join more actively in the struggle for peace. "I find it important," P. Kelly, for example, declared, "that women rise to the defense of peace. I regard feminism... not simply as equality but as it was perceived at the time of Aleksandra Kollontay, Rosa Luxembourg and Klara Tsetkin--as the prevention of war. I do not want equality in a militarized society. I do not want to be equal with a man who kills.... Feminism for me is antimilitarist struggle."**

It has to be noted that the strengthening of the women's movement, which occurred to a large extent under the influence of the Greens, appreciably complicated the realization of a number of militarist plans of the ruling upper stratum, including implementation of the plan to extend the draft of women for service in the Bundeswehr.

The new initiative of the Greens Party put forward at the political conference in Hagen in November 1982 for the holding in Nuremberg in the spring of 1983 of a special public tribunal session to examine "NATO's arms race policy" elicited a broad public response in the country. Participation in the tribunal's sessions of authoritative lawyers, military experts and peace fighters is planned. The purpose of the measure is to achieve an emphatic condemnation

* See "Die Gruenen. Das Bundesprogramm," Bonn, 1982, p 19.

** ROTE BLAETTER No 4, 1981, pp 50-51.

of the actions of the circles which aspire to deploy new American missiles-- this first-strike weapon--in a number of West European countries.

As a whole, antimilitarism has undoubtedly proven a most valuable acquisition of the political ideology of the Greens as an organized movement and as a party. The development of events leaves no doubt that the growth of the new party's influence among the population is directly proportionate to the expanded participation in antiwar actions. Obviously, the party's fate will be the surer the more strongly it is linked with the fate of this most influential and powerful nationwide movement in present-day West Germany.

The West German Greens, Mixed and Alternatives are often compared with representatives of the youth and student movement of the 1960's by the "new left". There really is a similarity: the present Greens rely to a large extent on the experience of the 1960's. At the same time, however, there is no doubt that they have even now achieved more than their predecessors. The influence of the new movement among the population is broader, the social and political program is more purposeful and the slogans are better oriented toward public perception. Finally, the Greens have taken a step forward organizationally, having created not only a movement but also their own political party, which was absolutely inconceivable for the anarchist "rebels" of the recent past.

The picture should not, however, be oversimplified. In some things, essential things, furthermore, the present movement is demonstrating the same or similar weaknesses and shortcomings. The social environment to which the majority of Greens belong is in its traditions petty bourgeois and lends itself with difficulty to the cohesion and unity without which a long political struggle is impossible. The Greens' actions are concentrated around this specific measure or the other, and in the intervals between them the movement frequently dies, as it were, and fails to manifest itself.

Leadership from a single center does not in fact exist in the party for it would be regarded as an infringement of the "independence" and "self-sufficiency" of individual groups or organizations and circles. Rejection of "staffs" and "bureaucratic administration" is elevated to an absolute and carried over to their own organization.

Even more dangerous than the organizational weaknesses are the Greens' program weaknesses. The party essentially lacks any satisfactorily developed socioeconomic proposals. In the fundamental program, where a place was found for a special paragraph "against discrimination against sexual outsiders," economic and social demands are set out quite unintelligibly and in the majority of cases in general wording. The attempt made in November 1982 to finally draw up a special document (or documents) on socioeconomic issues ended in failure.

Endeavoring to extend the range of their socioeconomic plans, some representatives of the Greens began to gravitate toward the preaching of reforms in accordance with the Social Democrats' model, but a threat thereby arose that the party might lose its own appearance and become a mere appendage of the SPD.

The so-called "purist ecologists," who insist on the fulfillment in toto of all program requirements, including those for whose realization the objective conditions are manifestly lacking in the current situation, have gone to the other extreme.

The difficulties being encountered en route to the formulation of a socioeconomic policy are not fortuitous. They are up against a key demand of the Greens, who insist out of ecological considerations on a renunciation of any quantitative growth of the economy. "We are opposed in principle to any quantitative growth"* the Greens' federal program points out. But then where to get the resources for an increase in real wages and social expenditure and how to combat unemployment? The proposition of a special commission, which proposed as a measure of combating unemployment a sharp increase in investments in environmental protection, made no big impression on the public.

Not surprising was the more than cool attitude toward the Greens' agitation on the part of workers and the trade unions, who do not find in the party's program documents points of contact with their day-to-day struggle for a rise in or at least the preservation of the present living standard. In addition, in a number of Landtags the Greens deputies voted, usually without stinting supraclass rhetoric, for measures implemented not in the interests of the workers and employees but in the interests of the businessmen.

The antimilitarist and strongest part of the Greens' program and policy also reveals vulnerable points. The point being that many of the foreign policy slogans which they have formulated are of a maximalist nature. They are objectively impracticable at the present time and even in the near future and for this reason could in certain instances compromise the antiwar movement, of which, of course, imperialist propaganda, the military-industrial complex and reaction are hastening to take advantage (immediate disarmament worldwide, transition to "social defense" instead of armies, withdrawal of forces from foreign territory, banning nuclear technology transfers, for peaceful purposes included, and so forth). Nor do the unwarranted attacks against the policy of the USSR and other socialist countries made by certain representatives of the Greens and their frequently advanced proposition of the "superpowers' equal responsibility" for the arms race, which puts American imperialism, the instigator of the arms race, and the peace-loving Soviet Union on the same footing, and so forth testify to the consistency of their antimilitarism.

It cannot be denied that all these singularities of the Greens' strategy and policy inevitably constrict and cannot fail to constrict the resonance of their protests. It is pointed out in the press repeatedly that they run the risk of becoming bogged down in a specifically intelligentsia or youth "ghetto," as occurred with the participants in the student demonstrations of the 1960's.

Such a danger does, of course, exist, but it is not fatal. The party and the organizations linked with it currently have perfectly adequate resources for

* "Die Gruenen. Das Bundesprogramm....," p 7.

overcoming the existing difficulties and, primarily, for closer interaction with the working class and other strata of the working people.

An example of successful steps in this direction was set by the West Berlin Alternative organization (full title is Alternative List in Defense of Democracy and the Environment). Its promotion to the forefront of social issues and active struggle for an improvement in the working people's material position, particularly a solution of the very acute housing question, have led to workers being represented among the Alternative List electorate entirely proportionately to their proportion in the population, including many categories of young highly skilled workers overproportionately.*

In West Germany the picture is as yet less favorable for the Greens in this respect: workers almost everywhere prefer the Social Democrats to the Greens. However, there are positive symptoms even here. For example, the Hamburg Greens, together with demands for the cleaning of the Elbe and the abandonment of the expansion of the Port of Hamburg, which is attended by great damage to the environment, put forward the slogan of "real changes" in the position of the working people and demanded increased taxes on businessmen, that the practice of depreciation writeoffs be monitored and the adoption of measures to put a stop to tax evasion by owners of enterprises. The result was an appreciable growth of the new party's influence in the proletarian environment.** In the estimation of the FRG's communist press, the Hamburg Green and Alternative List puts forward "a progressive program, as a whole."***

In spite of the claims of many bourgeois forecasters, who call the Greens Party a "nine-day wonder"**** and predict its inevitable disintegration, the new party has good possibilities not only of remaining on the political scene but also of scoring immeasurably bigger successes than hitherto. As emphasized by the democratic press, which adopts a favorable attitude toward the new party as a whole, it is essential that it proceed along the path of a further broadening of its participation in the antiwar movement and active interaction with all its streams and in the socioeconomic sphere undertake the specific "going to the people" which might enable it to act as the genuine exponent of the interests not only of the youth-intelligentsia strata but also broad strata of the working people's masses.

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* See "Marxistische Studien. Jahrbuch des IMSF," 5, 1982, p 28.

** See BLAETTER FUER DEUTSCHE UND INTERNATIONALE POLITIK No 10, 1982, pp 1211-1212.

*** "Marxistische Studien. Jahrbuch des IMSF," May 1982, p 131.

**** WIRTSCHAFTSWOCHE No 47, 1982, p 30.

BOOK ON TNC'S, EXPORT OF CAPITAL REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2,
Feb 83 pp 148-150

[E. Pletnev book* review: "Key Triad of the Capitalist Economy"]

[Text] The work in question, which is devoted to the key triad in the logic and genesis, structure and history of the modern world capitalist economy (export of capital--international monopolies--migration of capital) serves the goals of an extended study of the new phenomena in world development. An important place among them, as the 26th CPSU Congress emphasized, is occupied by the contradictory processes of the evolution of the transnational monopolies. "Under the conditions of the unfolding of the world revolutionary process," we read in the book, "the bourgeoisie of various countries is attempting to unite for the more successful struggle against world socialism, the preservation of its influence in former colonial and semicolonial countries and collective pressure on the living standard and work conditions of the working class" (p 5).

As distinct from her previous research and the works of a number of economists who focused attention on the phenomenon of the international monopoly and its place in the world economy, T. Belous proceeds from qualitatively new features. "Inasmuch as the key role in the set of the international monopolies' strategic instruments is performed by investment policy," the introduction noted, "a considerable place in the book is assigned the export of capital" (p 8), which, in turn, "is studied within the framework of the international monopoly concept" (p 9). The internationalization of capital investments is viewed in the work as the basis of the conversion of exporters of capital into international private owners of truly intercontinental production complexes and as the driving force with respect to the transformation of trusts into modern concerns with a single technological, financial and managerial community, more precisely, subordination to the diktat of the owners of the controlling block of shares. Tracing the qualitative shifts in the export of capital enabled the author to make a number of measurements: the volume of so-called international production proved higher than the dimensions of world capitalist

* T.Ya. Belous, "Mezhdunarodnyye monopolii i vyvoz kapitala" [International Monopolies and the Export of Capital], Moscow, Izdatel'stvo "Nauka," 1982, p 320.

exports, and intrafirm supplies are substituting to an increasingly great extent for and "constricting," in T. Belous' words, international trade ("removing" it, we would say--E.P.); capitalist production depends increasingly less on national boundaries (p 23). In almost two decades (1960-1978) the correlation between production at foreign enterprises and exports from the three main centers of present-day capitalism increased from 91.8 percent to 117.7 percent; among them, in the United States from 299 percent to 442.9 percent, in West Europe from 93.7 percent to 105 percent and in Japan from 15 percent to 102.3 percent (p 29).

Incidentally, a characteristic feature of the author's style is a careful, "proprietary" attitude toward numerical information, particularly in her compilation of tables, and the book contains 26 of them. The solid numerical material support lends particular significance to an analysis of the main, qualitative shifts in the structure and functions of the transnational concerns. The main changes in the modern transnational corporations [TNC] increasingly manifestly express the monopoly nature of these cosmopolitan populations of capital and increase the processes of their putrescence and parasitism. Whereas the first researchers into the TNC were tempted to portray these "multinationals" as successful traveling salesmen of the scientific-technical revolution and universal distributors of its fruits, these cosmopolitan concerns now appear under the pen of the Marxist economist as insidious and capricious buyers-up of scientific-technical innovations and their mercenary warehousemen and exploiters. The TNC trend toward concentration of their expansion in the economy of the states of the nonsocialist world which are the most developed in the industrial-financial respect only crystallized with time. It is there and not in the emergent countries that three-fourths of their production is located. The relative significance of TNC direct capital investments in the developing countries from the end of the 1960's through the end of the 1970's declined from roughly one-third to one-quarter (pp 135-136). Characteristic also is the geography of the location of production within the framework of the capitalist world economy, where material-, energy-, labor- and nature-intensive techniques are declared the lot of the developing countries and capital- and science-intensive technologies the privilege of the countries of origin and principal basing of the TNC (pp 226-230). The nationalism of the TNC, expressed in the holding back of scientific-technical progress, a reduction in the proportion of their foreign expenditure on R&D, limits on the hiring of highly paid compatriot personnel for the foreign affiliates, discriminatory assortment policy and the transfer of obsolete models to the foreign periphery (pp 206, 226, 228, 230), has appeared increasingly sharply in recent years.

Nor has the author overlooked a more general important trend of the current stage of the development of the international monopolies: a considerable proportion of their affiliates is not involved in the production and processing of products. And this means that the TNC "are making an impressive 'contribution' to the development of the trend currently being observed toward a reduction in the relative significance of material-real production and an increase in the proportion of services in the national product of the developed capitalist countries" (p 27). This observation of the far-advanced process of the growth of the parasitism of the present-day international

monopolies helped the author draw very promising conclusions concerning the correlation of the banking and industrial monopolies in the structure of international finance capital (section 4, chapter 1). "In the system of international exploitation engendered by the process of internationalization in its private-ownership 'cover' the banking 'component' of a finance group represents a link of no less importance than a monopoly of industry," T. Belous concludes (p 87). And we have to agree. The introduction of the banking "component" to an analysis of the distribution and redistribution of financial resources provided the investigation of the TNC's "contribution" to the internationalization of the inflation process under modern capitalism with a firm base (see chapter 5).

The author draws from her economic research methodologically important conclusions concerning the rise to a new level of the contradiction between the maximization of the level of development of the production forces and the maximization of, on the other hand, profit (p 87) and concerning the exacerbation of the antagonism between national interests and the feverish transfers of multibillion-dollar masses of capital and surplus value (it is sufficient to refer to the fact adduced in the book that the international migration of sums of capital is in terms of rate of increase approximately double that of domestic capital investments in industrial production) (p 195).

The theoretical results achieved by the author also give her grounds for political conclusions. Among these are the conclusion of the inevitability of the acquisition of an international character by the democratic alternative opposed to the TNC. "The democratic alternative to the international expansion of finance capital provides for depriving the monopolies of the freedom of international maneuver, which enables them not only to transfer the most efficient methods of exploitation of the working people from country to country but also to engage in speculative transactions limiting business practice and influence the political life of the corresponding states" (p 317).

T. Belous' trenchant monograph contains a number of inaccuracies, unfortunately. In our view, the idea of the unswerving growth of plan-conformity within the TNC framework is pursued somewhat rectilinearly. Matters should not be portrayed such that plan-conformity reigns at TNC level and anarchy only at the world economy elevation. Much could have been said about the gruelling "wars" between the headquarters and affiliates of the TNC and the complexities of intracorporation turnover and the fate of plan-conformity. Reproducing the "export of entrepreneurial capital" concept in a special study (p 90) is hardly appropriate for such arises upon the division of functioning capital after investment.

None of these observations, however, are that material upon comparison with the merits of the study, which is undoubtedly of a thorough nature.

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BOOK ON U.S. NEAR EAST POLICY REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 2,
Feb 83 pp 154-155

[V. Viktorov book* review: "The Near East: American Hegemonism--Principal Cause of Tension"]

[Text] The comprehensive analysis made in the monograph in question of the driving forces of and motives behind the United States' Near East policy and the factors influencing its formation help us understand better the real reasons why this direction has in recent years unswervingly been moving upward on the scale of priorities of American foreign policy.

The work emphasizes that Washington regards this region as a principal strategic beachhead in the struggle against the Soviet Union and a main center of the confrontation of the two social systems. In the opinion of American strategists, separation of the Near East link from the world system of capitalism would lead to a disturbance of the evolved balance of world forces "unacceptable" to the West.

We have to agree with the author that despite all the complexity and multiple level of events in the Near and Middle East, the liberation movement here developed in the 1970's in line of ascent coinciding with the overall onward development of the world revolutionary process. The positions of the progressive, revolutionary-democratic forces strengthened in a number of countries of the region. The liquidation of British colonial domination in the Persian Gulf zone was fully completed and the peoples of the southeast part of the Arabian peninsula achieved political independence in 1971.

R. Borisov shows that the ouster of the shah's regime in Iran, to which Washington had assigned the role of a principal regional "policeman," the rapid disintegration of the CENTO bloc and the victory of the people's revolution in Afghanistan were perceived by American ruling circles as a serious blow to the positions of the West's monopoly capital. American imperialism is setting the task of impeding the development of the national

* R.V. Borisov, "SShA: Blizhnevostochnaya politika v 70-e gody" [United States: Near East Policy in the 1970's], Moscow, Glavnaya redaktsiya vostochnoy literatury izdatel'stva "Nauka," 1982, p 215.

liberation movement of the peoples in the countries of the region, keeping them in the orbit of the capitalist economy and political structure of the West and isolating them from the world revolutionary process (p 12).

To achieve these goals the United States arbitrarily declared the states of the region a sphere of its "vitally important interests," threatening to use any means, even armed force, to ensure a correlation of forces favorable to imperialism here.

An analysis of the actions of recent Washington administrations leads the author to conclude that these goals do not depend on the representatives of which of the two bourgeois parties is in office; both of them, reflecting the interests of American monopoly capital, proceed from the same concepts and aims of the protection of the United States' imperialist positions, all-around support for Israel, strengthening the conservative regimes and struggle against the peoples' liberation movement.

Among the most interesting sections of the monograph is the analysis of the mechanism of the impact on the United States' Near East policy of such leading factors as the American transnational oil corporations, which still maintain significant positions in the Near and Middle East, and also of Zionist circles in the United States representing big capital and possessing effective levers of influence in Congress, the mass media and so forth. The work adduces new facts of the merger of the oil monopolies with the U.S. government machinery and substantiates the conclusion, which is supported by numerous pieces of evidence, that the interests of the transnational oil corporations have been "duly" taken into consideration in the pursuit of American policy in the Near East region under all administrations. R. Borisov's calculations illustrating the increase in the economic might of the five biggest American transnational oil corporations may serve, inter alia, as proof of this proposition. In a decade, from 1970 to 1980, that is, in the period of the most serious exacerbation of the energy crisis, the assets of these leaders of U.S. industrial capital increased from \$52.3 billion to \$156.5 billion and profits from \$3.6 billion to \$15.4 billion (p 35).

The exposition of these points would, it would seem, have appeared more impressive and would have gained if all aspects of the "oil factors" of the United States' Near East policy had been grouped in one chapter and not scattered in different chapters.

Analyzing a great deal of factual material, the author shows that in the 1970's Washington stepped up the struggle against the peoples' liberation movement, employing a very broad set of resources--from diplomatic pressure through the organization of coups d'etat and conspiracies in countries which had embarked on the path of anti-imperialist struggle. The United States maintained centers of tension and provoked inter-Arab disagreements and other conflict situations in the region. Together with measures of blackmail and power pressure American imperialism made extensive use for the consolidation of its positions in the region of the "partnership" and "interdependence" doctrines, the class meaning of which consists of the "establishment and consolidation of an alliance of U.S. big oil capital with the private and state capital of the Near East states, the binding of these countries to the fate of world

capitalism and the consolidation of neocolonialist forms of their exploitation" (p 78).

An important place in the book is assigned the United States' military-strategic plans and actions in respect of the Near and Middle East, and there is a description of the increased American military presence in the region and the role of the expanding modern arms supplies to the conservative regimes as an instrument of neocolonialist policy and satisfaction of Washington's imperial ambitions. We would note in this connection that the author's viewpoint according to which in the 1970's the policy of American interventionism in the Near East region underwent a crisis phase seems debatable. In our view, it would have been more correct to say that at the end of the 1970's the line of the interventionists (that is, the supporters of active interference, even military, in the internal affairs of the states of the region) became the prevailing one. It is sufficient to mention the threat of the U.S. secretary of state (January 1975) to use force against the oil-producing Arab countries. Washington availed itself of the well-known events in Iran and Afghanistan to publicly announce its intention to begin a buildup and expansion of its direct military presence in the Near and Middle East.

A considerable part of the book is devoted to a study of Washington's approach to the problem of a Near East settlement. Its activity in respect of the Arab-Israeli conflict shows that throughout the period in question the United States has aspired not to a settlement of the latter but to its use to consolidate its own imperialist positions in the region and secure Tel Aviv's expansionist goals at the expense of the Arab's national rights. Regarding Israel as the sole dependable support, an effective lever of pressure on the Arabs and an instrument of struggle against the liberation forces in the Arab world, the United States proceeds from the fact that as a result of an all-embracing settlement of the Near East conflict and the achievement of lasting peace in this region it would be deprived of an important trump card in its policy (p 143).

The development of events in the Near East since March 1979, that is, since the time of the conclusion of the separate Egyptian-Israeli Treaty, testifies incontrovertibly that the latter is profitable only to Israel and the United States. By strengthening Israel's "security" and taking Egypt out of the struggle to liquidate Israeli aggression, the treaty corresponds to American policy's imperialist aims in the Near East, splits the Arab ranks, helps Israel continue the regime of occupation on other seized Arab territory and unties its hands for new military adventures. Tel Aviv's aggression against Lebanon in the summer of 1982 confirmed for the umpteenth time that any separate pact with the United States and Israel only entails for the Arabs new suffering and the Near East new problems and an exacerbation of the situation.

The book in question testifies that it is the United States' attempts to achieve a dominant position in the said region which is the main reason for the preservation of a most explosive center of tension here. At the same time the author shows convincingly that the constructive alternative to Washington's line is the policy of the Soviet Union, which provides for the achievement of

an all-embracing settlement of the Near East situation and a radical improvement in the atmosphere in this region by way of realization of the Palestinian people's inalienable right to the creation of their own state and a guarantee of the sovereign rights of all the states and peoples located here.

R. Borisov's study of U.S. Near East policy and its driving forces, goals and motives will, it would seem, be of interest to both international affairs specialists and a broader circle of readers.

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