

125045

JPRS-UIA-86-013

14 March 1986

USSR Report

INTERNATIONAL AFFAIRS

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

20000128 105

DTIC QUALITY INSPECTED 2

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

Reproduced From
Best Available Copy

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

21
121
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service (NTIS), Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semimonthly by the NTIS, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

Soviet books and journal articles displaying a copyright notice are reproduced and sold by NTIS with permission of the copyright agency of the Soviet Union. Permission for further reproduction must be obtained from copyright owner.

14 March 1986

USSR REPORT INTERNATIONAL AFFAIRS

CONTENTS

ARMS CONTROL

- U.S. Public, Military Reaction to Geneva Summit Contrasted
(Georgiy Kuznetsov; ZA RUBEZHOM, No 49, Dec 85) 1

WORLDWIDE TOPICS

- Friendship Societies Official Interviewed on Anniversary
(Ye. B. Ivanov Interview; SOVETSKAYA KULTURA, 24 Sep 85) . 12
- AIDS 'Is Not a New and Unknown Virus'
(S. Lyapich; SOVETSKAYA BELORUSSIYA, 24 Nov 85) 15

SOCIALIST COMMUNITY AND CEMA AFFAIRS

- Foreign Trade, Hard Currency Credits With West Discussed
(A. Sarkisyants; EKONOMICHESKAYA GAZETA, No 49, Dec 85) .. 19
- Soviet Aid in Cuban Oil Extraction
(P. Bogomolov; PRAVDA, 28 Oct 85) 23
- Shiryaev Discussion of CEMA Economic Growth
(Y. Shiryaev; INTERNATIONAL AFFAIRS, No 12, Dec 85) 26
- Legal Assurance of Reliability, Quality of CEMA Goods
(Mikhail Rozenberg; FOREIGN TRADE, No 12, Dec 85) 35
- CEMA Cooperation in Industrial Robots
(Ye. Yakovlev; IZVESTIYA, 17 Dec 85) 48

GENERAL ECONOMIC AFFAIRS

- Soviet Foreign Trade Statistics: January-September 1985
(FOREIGN TRADE, No 12, Dec 85) 53

UNITED STATES AND CANADA

U.S. Continues in 'Dangerous Direction' Even After Summit (Dzh. Efendiyev; MOLODEZH AZERBAYDZHANA, 12 Dec 85)	58
Alleged Official U.S. Sponsorship of Anti-Sovietism Hit (V. Krotov; IZVESTIYA, 11 Jan 86)	63
Micronesians Oppose U.S. Plans To Turn Island Into 'Volcano' (Dmitriy Kosyrev; PRAVDA, 14 Jan 86)	66
U.S. Holds 'Death Grip' on Micronesia (K. Malakhovskiy; KRASNAYA ZVEZDA, 14 Jan 86)	68
U.S. 'Expanding Military Presence' in Micronesia Hit (Various sources, various dates)	71
Pressure on Palau, by Aleksandr Fedonin	71
Plebiscite To Be Held	71
Source of 'Growing Concern'	72

WESTERN EUROPE

Economic Situation, Anti-Nuclear Movement in Iceland Viewed (Nikolay Ivanov; ZA RUBEZHOM, No 51, Dec 85)	74
PRAVDA View Andalusian Communists' Activity (N. Prozhogin, V. Chernyshev; PRAVDA, 13 Jan 86)	80

EASTERN EUROPE

GDR: Economic Development Praised (Hans Luft; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN- CHLENOV SEV, No 7, Jul 85)	81
USSR-Hungary: Long-Term Cooperation Program (Alexei Krokhotkin; FOREIGN TRADE, No 12, Dec 85)	88
Discussion of Polish Ship Export to USSR (Erzy Hinz; FOREIGN TRADE, No 12, Dec 85)	94

LATIN AMERICA AND CARIBBEAN

Events in Seizure of Colombian Government Building Reviewed (Vadim Polyakovskiy; ZA RUBEZHOM, No 50, Dec 85)	97
---	----

CHINA/FAR EAST/PACIFIC

Appeal to UN From 'Democratic' Cambodia Assailed (S. Dashkov; LITERATURNAYA GAZETA, No 5, 29 Jan 86)	102
Briefs North China Plain Development Plan Noted	104

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

U.S., FRG, RSA Interest in Israeli Nuclear Program Assailed (V. Bashkin; KRSNAYA ZVEZDA, 17 Oct 85)	105
Influence of 'Zionist Lobby' on U.S. Mideast Policy Hit (V. Bolshakov; PRAVDA, 30 Oct 85)	109
Soviet-Indian Ties Continue To Strengthen After Gandhi's Death (V. Skosyrev; IZVESTIYA, 30 Oct 85)	113
Moroccan Journalists Visit Moscow (G. Musayelyan, N. Kachurin; MOSKOVSKAYA PRAVDA, 2 Feb 86).	116

ARMS CONTROL

U.S. PUBLIC, MILITARY REACTION TO GENEVA SUMMIT CONTRASTED

Moscow ZA RUBEZHOM in Russian No 49, Dec 85 pp 12-13

[Article by Georgiy Kuznetsov: "USA: Friends and Enemies of a Geneva Accord"]

[Text] The majority of ordinary Americans and many political and public figures saw in the Geneva meeting between M.S. Gorbachev, general secretary of the CPSU Central Committee, and R. Reagan, President of the United States, an opportunity to improve relations between their two countries, take a step forward toward limitation and reduction of nuclear weapons and block plans to militarize space. However, in the United States forces are at work which are displeased at the prospect of Soviet-American cooperation and recommencement of a political dialogue; these forces are the military-industrial complex and the reactionary organizations which express its opinions. They are attempting to continue the arms race indefinitely and dream of military supremacy for the sake of world domination.

In the central part of New York, on Manhattan, at the place where 50th Street ends at the bank of the Hudson River and where once numerous transatlantic liners were moored at passenger piers, liners like the "Queen Mary", the largest in the world, the elegant "S.S. France" or the beautiful "Michaelangelo", today stands the aircraft carrier "Intrepid" alone. On its flight deck are jet fighter-bombers, and the nose of one of them literally projects out over the highway which runs along the shore. The aircraft carrier, retired "due to age" two or three years ago, has been converted into a unique museum. Last summer, in keeping with the "spirit of the times," a large exhibit was unveiled on board the ship. This exhibit was dedicated to planned preparations for "star wars." However, soon afterwards the businessmen who had set up a company to exploit the floating museum for the sake of profit were forced to declare bankruptcy. It turned out that the "Intrepid" was visited by only one-third as many people as originally planned. Of course, the Pentagon immediately "threw a life ring" around these newly promoted admirals of the museum business, promising \$500,000 to keep the aircraft carrier "afloat" as an advertisement for the United States' naval, missile and space might. However, the very fact that the museum went bankrupt is noteworthy: it testifies to the antiwar sentiments of many Americans, who

are opposed to the arms race and the construction of new attack submarines and nuclear missiles, opposed to plans to transform space into a theater of military operations, in favor of a just accord with the Soviet Union to sharply reduce the number of nuclear weapons on the basis of respect for the principles of equal security for all parties, thereby strengthening the foundations of universal peace.

The incident with the aircraft carrier/museum which seems to have run aground coincided -- and not by coincidence -- with the peak of a campaign by New Yorkers against the establishment in the city's port, in the area of Staten Island, of a naval base with berths for a unit of warships headed by the renovated battleship "Iowa," which is capable of carrying 360 Tomahawk cruise missiles with nuclear warheads. And each of these warheads is 15 times more powerful than the bomb which destroyed Hiroshima.

The laws of the State of New York state that any political issue may be brought to a referendum at the request of a group of citizens numbering not less than 80,000. Numerous public organizations in the city, whose actions are coordinated by Mobilization For the Preservation of Life, have made a proposal: to ban utilization of land belonging to the city for purposes of deployment of nuclear weapons. A total of 112,000 signatures were gathered under this petition.

I happened to be a witness to one of the actions by activists in the anti-nuclear campaign.

This was on a Saturday, in the middle of the day, when it seemed that the entire city was out on the streets. At Herald Square, which is formed by the intersection of Broadway and Sixth Avenue, there appeared a large group of women from the organization "United Coalition of Chelsea Against Nuclear Destruction" (Chelsea is one of the sections of Manhattan, and has a local antiwar organization with 2,000 members). Unexpectedly, when part of the group had reached the little square in the middle of the street, the sirens of a nuclear alert blared. The women fell to the ground in a semblance of people killed in a nuclear attack. The masses of passers-by, hurrying to do their shopping in the immense department stores, literally froze, not knowing what to do. They were addressed by Ted Weiss, a member of the U.S. House of Representatives, and Professor Tom (Delyuk), one of the leaders of Mobilization For the Preservation of Life.

"Death on the spot as the result of a nuclear explosion, death from radiation: this is what the transformation of the port of New York into a military base, the militarization of space and continuation of the arms race threaten," they said, trying to convince those present at the square to oppose plans for "star wars" and the establishment of a naval base in the port. At the same time, dozens of women handed out flyers...

Public opinion surveys had indicated that 48 percent of the citizens of New York were prepared to vote for the proposal by the antiwar organizations. This meant that the ban would pass. And then, at the request of the Pentagon, Mayor Koch of New York City obtained a court order forbidding the holding of the referendum.

"We were refused our right to democratic expression of our will, but we have not given up the struggle," I was told by Riva Farruci, one of the leaders of the United Coalition of Chelsea. "We will demand a nuclear arms freeze with renewed energy; we will demand cessation of nuclear arms testing and oppose deployment of first-strike intercontinental MX missiles and implementation of plans for a 'strategic defense initiative'. We are part of the antiwar movement whose representatives met with M. S. Gorbachev in Geneva. They also spoke in our name. For our part, we support the Soviet moratorium ending nuclear detonations until the end of this year and feel that the United States should participate in this moratorium, for then an end can be put to the development of new types of nuclear weapons. We are in full support of the Soviet Union's ideas on preventing deployment of weapons in space and reducing nuclear weapons stockpiles by one-half."

From Positions of Responsibility

The meeting in Geneva between M. S. Gorbachev and R. Reagan served as a catalyst which initiated a powerful reaction by broad circles of the American public: demonstrations by members of hundreds of organizations in the antiwar movement. In the name of millions of their fellow citizens, they wanted to impress upon the participants in the summit meeting the thoughts, hopes and desires of ordinary people. In 14 cities -- New York and Washington, Boston and Detroit, Cleveland and Milwaukee, Baltimore and San Francisco, and others -- people took to the streets in response to an appeal from the Coalition To Halt The "Star Wars" Program, which encompasses 30 public organizations. Many carried candles, the symbol of peaceful fire, in their hands. Throughout the country, candles in windows were lit and porch lights turned on on the eve of 19 November, the first day of the meeting between the leaders of the USSR and the United States. At the intersections and squares of many towns, "peace vigils" lasting many hours were held. In Nevada, picketers marched at a testing ground where underground nuclear tests are conducted. The city council of Evanston (a suburb of Chicago) adopted by an overwhelming majority a resolution declaring their city a nuclear-free zone, thereby joining the ranks of over 100 other cities and counties.

"This decision reflects the desire of the majority of Americans to put an end to the vicious arms race, the possibility of which is opening up in connection with the American-Soviet summit meeting," said Larry (Dzhini), chairman of the local branch of the National Campaign For A Freeze On Nuclear Arms (FREEZE), commenting on the resolution.

It was this organization which held its conference on 17 November; after the conference Jane Gruenebaum, executive director of FREEZE, together with, David Cartwright, the executive director of the National Committee On Struggle For A Rational Nuclear Policy, Jesse Jackson, prominent public figure, Cora Weiss, head of the Riverside Church Center For Disarmament, and other leaders of antiwar organizations, headed for Geneva, where they were received by M. S. Gorbachev.

On the eve of the meeting, conferences of the U.S. Peace Council and Mobilization For the Preservation of Life were held. Resolutions adopted at the latter contain a resolute demand to the administration to end nuclear detonations and speaks of support for the "present Soviet moratorium on nuclear testing." A resolution dedicated to the struggle "against first use of nuclear weapons" calls on local organizations to "reject the opinion being foisted upon society that the United States' nuclear policy is defensive" and oppose continued development and deployment of first strike nuclear systems, particularly a "star wars" system.

Among actions connected with the summit meeting was a decision by the city council of Detroit, which unanimously adopted a resolution calling on the U.S. Administration to renounce its "star wars" plans and join the Soviet Union in declaring a moratorium on nuclear testing and freezing the production, testing and deployment of all types of nuclear weapons.

several antiwar organizations are located, I immediately met people wearing on their jacket lapels and blouses purple buttons with the inscription "Physicians For Social Responsibility" around the edge and the words "Recipients of the Nobel Peace Prize" in the center. Activists of this organization had gathered to commemorate a joyous event: the awarding of this prize to the movement "World Physicians For The Prevention of Nuclear War" as a token of appreciation of the organization's services (its American branch is called "Physicians For Social Responsibility").

In the New York branch, which is headed by Dr. Robert Kurtz, there are 2,500 members. However, the meeting which I attended could scarcely be called festive, with the exception of the mutual congratulations which are natural in such a situation. There was discussion of current activities: about participation in the struggle to prevent the transformation of New York into a nuclear port, while the Navy has already raised its flag on Staten Island at the site where it intends to build a new base; about the need to explain the dangers of the "strategic defense initiative" to a broader public; about Soviet-American relations in light of the meeting in Geneva and their own attitude toward that event.

Meetings similar to the one held on Lafayette Street took place in other U.S. cities as well. Here is the result: 367 prominent American doctors and scientists, at the initiative of the organization "Physicians For Social Responsibility," sent an appeal to R. Reagan and M.S. Gorbachev in Geneva. This appeal stated: "We appeal to you as doctors and medical scientists who share your opinion that 'it is impossible to conduct a nuclear war and impossible to be victorious in one'. On 19 November in Geneva you will have the opportunity to change the course of human history."

"Firstly, you can begin the process of radical reduction of nuclear arsenals in both your countries."

"Secondly, you can reach an agreement on the preservation of space for peaceful uses only."

"Thirdly, you can declare a bilateral moratorium on all nuclear detonations beginning on 1 January 1986 and recommence negotiations with the goal of reaching a permanent treaty on the banning of nuclear weapons forever."

"The world will long remember the leaders of two powers who made an historic step away from the edge of the abyss. We appeal to you to do everything possible to ensure that this meeting will indeed be the landmark which it can be."

Scientists Against "Star Wars"

On the eve of the Geneva summit meeting, one other declaration received widespread publicity: a declaration by American scientists, instructors, researchers and graduate students from the physics departments of all the country's main universities. They vowed not to work on implementation of plans for the research, development and testing of the "strategic defense initiative." By the beginning of November more than 2,800 signatures had been collected under this pledge. Among the scientists who participated actively in the collecting of signatures was Seymour Melman, a professor at Columbia University.

Entering his small office, I saw the professor seated at his desk with a sheet of paper, on which was clearly visible the words "Declaration on 'Star Wars'," and a dictaphone. After greeting me and excusing himself, he continued for several seconds to tape a request to someone:

"I am sending you the text of the declaration dealing with "star wars." It has already been widely distributed at many universities around the country and has received a very strong response from the faculty. I request that you pass it on to your colleagues for their signatures. Return the lists of signatures to me."

After he had finished, he asked me: "Have you read the scientists' pledge?"

And on the spot he handed me the text of the declaration, in which the "star wars" program is rejected as dangerous. The declaration attempted to demonstrate that this program "would only serve to escalate the nuclear arms race, encouraging the development of additional offensive weapons, of which there already exists an overabundance, as well as widescale competition in the creation of anti-missile weapons."

"This program will threaten existing agreements on nuclear weapons controls and will make negotiations on the problem of how to limit armaments even more difficult than they presently are. This program is a step toward the creation of a type of weapons and development of a strategy which could lead to universal nuclear destruction," stated the declaration. Its signers pledge themselves "to not attempt to obtain and to not accept funds for SDI development" and calls on others to join their refusal.

"And look here, these are the results of the signature drive," said S. Melman, handing me another sheet with totals given for a number of universities.

There I saw Cornell University -- 690 signatures, including 128 scientists from the departments of science and mechanical engineering -- the majority. Washington State University: 119 faculty members and 110 researchers and graduate students. Illinois State University: 113 faculty members and senior researchers, 110 junior researchers...

"The policy of the arms race, and even more so attempts to create a space shield while simultaneously deploying offensive weapons, are profoundly erroneous from the point of view of ensuring security, which suffers when the potential for "overkill" is created, and from the point of the view of the economy," continued S. Melman. "But, unfortunately, the pressure by the military-industrial complex in this country is too strong, and the heads of the military economy are after tremendous profits."

Pentagon Provocations

The majority of Americans greeted the results of the meeting in Geneva positively. They saw in them the beginning of a search for ways to improve relations between our countries, and this would help improve the situation in the world at large. As public opinion polls show, 83 percent of all U.S. citizens approve of the agreement reached at the meeting with regard to the need to put political dialogue on a regular basis and make it more effective. Also satisfying is the fact that the Joint Communiqué issued by the leaders of the USSR and the United States underscores that nuclear war must never be unleashed, that there can be no winner in a nuclear war, and that both sides declare that they will not seek military supremacy and Soviet-American negotiation on nuclear disarmament will be given new impetus.

However, many note with sorrow that the American side has proven unwilling to make major decisions on the main problem: halting of the arms race. In this connection they refer to the words of M.S. Gorbachev at a press conference to the effect that someone in the United States "evidently has hands that itch, so badly do they want to achieve world domination and be able to look down on the world from above." E. Lewis, a commentator for the NEW YORK TIMES, wrote in a commentary with alarm that "the influence of the military-industrial complex has far exceeded our worst nightmares." As a result, its narrow point of view "has led us to the point where the idea of a 50 percent reduction in our nuclear arsenals, largely superfluous and a heavy burden, seems 'sinister'..."

Thus, the opinions of the university professor and the newspaper commentator coincide. Incidentally, there is nothing surprising about this: it is no secret that the military-industrial complex is doing everything in its power to ensure the endless continuation of the arms race. And it is no coincidence that in one ABC commentary, dedicated to the meeting Geneva, this thought was expressed: "Now hard negotiation will begin inside the government itself. There will be those who will say that we must preserve the atmosphere created at Geneva and that therefore the President must do something to meet the Soviet initiatives halfway. However, more conservative members of the Administration will insist that he show toughness." A letter from Secretary of Defense Caspar Weinberger, released literally one day before the meeting

between M.S. Gorbachev and R. Reagan, attempting to convince the President to renounce two treaties -- the ABM Treaty and SALT I -- as well as presentation of a provocative report on "violations" of these agreements by the Soviet Union, are convincing evidence of attempts by powerful circles which have an interest not in reducing but rather in expanding military arsenals and in exerting an influence on Washington's policy.

Speaking of the need to take a serious step toward conclusion of a treaty on nuclear arms limitation, G. Hall, general secretary of the Communist Party USA, notes that "two obstacles lie on the path to attainment of this objective. One is the Pentagon, which is headed by Caspar Weinberger, secretary of defense. Weinberger and the Pentagon generals do not want to end nuclear testing. Nor do they want to reduce the number of nuclear weapons. This occurs simply because they have never renounced their fanatic attempts to achieve first strike potential and nuclear supremacy over the Soviet Union. There is also a second major obstacle to the conclusion of a treaty on nuclear arms limitation as a means to peace. This is the astronomical profits made by military industry."

The newspaper THE WASHINGTON POST notes that Pentagon contractors have now literally besieged governments agencies and the Congress. Acting through "their" people, representatives of the military-industrial complex are attempting to obtain political support to defeat any measures which could lead to arms reduction.

It is with good reason that the "strategic defense initiative" is known on Wall Street as the "new profit frontier." General J. Abrahamson, head of an organization set up to implement SDI, stated on 20 November at a conference on space technology that after the summit meeting he is expecting instructions to continue planning of a space-based anti-missile system "at the swiftest pace possible." During the 1985 fiscal year alone this organization distributed approximately 1,000 contracts worth a total of one billion dollars; 260 companies and laboratories got their "share." According to data from the government Council for Economic Priorities, at the middle of November first place in the fight for "star wars" contracts was held by Boeing (364.3 million dollars). But a few days ago the Lockheed Corporation reached an agreement on development of an interceptor missile for SDI valued at \$350-400 million. On the board of directors of this firm is... Max Kampelman, head of the American delegation at the Geneva negotiations. And he is the head of a group studying the problem of how to avoid the militarization of space!

Their Objective: Military Supremacy

Speaking at a press conference at the National Press Club in Washington on the eve of the summit meeting, retired General D. Graham, head of a reactionary militaristic organization which works in support of "star wars", the Coalition For the Strategic Defense Initiative, stated that "the United States must under now circumstances renounce SDI or postpone its implementation" and called for unilateral repudiation by Washington of the ABM Treaty, claiming that SDI is significantly more important to the United States than "a worn-out anti-ballistic missile treaty."

There is another political organization on the extreme right wing which acts in unison with the coalition: the American Security Council (ASC), which exists in large part thanks to money from military monopolies and defends their interests. There is good reason for the fact that retired generals and admirals and former intelligence operatives are on its strategy development committee. The council's strategy is unmistakable: propaganda for United States military supremacy over the USSR.

In order to influence legislators in this direction, the American Security Council has set up the Coalition For Peace From a Position of Strength.

"I can proudly report to you that recently our coalition was joined by the 250th member of Congress," I was told by the chairman of the Washington branch of the council, Gregg Hilton, almost as soon as we began our conversation at the ASC headquarters, which is located not far from the Capitol. On the list of co-chairmen of the council are the names of Senator P. Laxalt, chairman of the Republican Party and personal friend of R. Reagan; Senator J. Denton, known for his obscurantism; Senator J. Garn, a former Air Force pilot and ardent militarist; and Representative J. Kemp, who has the support of the fascist John Birch Society. Closely connected with the council are Senator J. Tower, who presently heads up one of the group of American delegations to the Geneva negotiations, and E. Teller, the "father" of the hydrogen bomb and one of the initiators of the "star wars" plan. Among those whose appearances are heavily promoted by the ASC is Secretary of Defense C. Weinberger.

"We support President Reagan, and the President supports the American Security Council and the Coalition For Peace From A Position Of Strength," boasts G. Hilton, but adds: "But we are dissatisfied with the present budget; we feel that spending increases for defense are insufficient. And we are disappointed by the fact that the administration has agreed to Congress' decision to limit the number of MX missiles to 50 -- they say that there are 4,000 targets in the Soviet Union. In our opinion, the SALT I Treaty, the SALT II talks and ABM limitation talks are harmful, and we are opposed to them."

"What is the council's position on the proposal to radically reduce the number of nuclear arms (as is well known, in the joint Soviet-American communique support is expressed for the idea of appropriate application of the principle of a 50 percent reduction in both sides' nuclear weapons)?", I wanted to know.

"Highly skeptical. This could halt expansion of our military might," he stated openly.

"And the idea of ending nuclear testing, an idea which is supported by so many people?"

"Categorically opposed: such a ban would not permit us to modernize our nuclear weapons."

G. Hilton was not speaking for himself alone. As I read in the council's bulletin, THE WASHINGTON PATRIOT, "the majority of ASC members want to allocate all the funds possible to SDI. ASC members are in favor of

reestablishment of strategic supremacy in the ability to conduct military operations through implementation of the entire MX missile program, the B-1 bomber program and the Trident submarine and cruise missile programs."

The Heritage Foundation Against Disarmament

Addressing a session of the USSR Supreme Soviet, M.S. Gorbachev remarked: "We have not failed to notice a sort of 'order' given to the President of the United States by American ultraright circles in the name of their ideological headquarters: the Heritage Foundation. They instructed the President to continue the arms race and not give the Soviet Union the opportunity to reallocate funds to its socioeconomic programs and, in the final analysis, to withdraw the USSR from international politics. These gentlemen have even reached the point where they have presented the U.S. Administration with the task of forcing us to change our system and our Constitution!"

Created with funds donated by J. Coors, the beer "king", the Heritage Foundation has become one of the "brain trusts" which develop policy for the present administration.

The Heritage Foundation's section for foreign policy and defense study is headed by Bruce Wainrod, who previously worked as a White House and Congressional staff member. He is the author of several publications and a discussion leader on the topics of Soviet-American relations, the SALT II Treaty and SDI. I also brought up these topics when B. Wainrod received me at the Heritage Foundation headquarters, located not far from the Capitol Building, a few days before the summit meeting.

"I do not expect any agreement of a more or less significant nature on the question of disarmament," immediately declared B. Wainrod in response to a question about his position on the meeting in Geneva.

His "line of argument", which smacked of cheap propaganda, was eagerly presented just as soon as I asked about his attitude toward the Soviet proposal to reduce U.S. and Soviet nuclear weapons capable of reaching each other's territory by one-half, contingent upon renunciation of the deployment of offensive weapons in space. It turns out that, in his opinion, "the American nuclear forces are not protected against a Soviet strike" and the United States "does not have enough nuclear warheads." Furthermore, whereas Soviet missiles are "destabilizing," he feels, the missiles based on American submarines are "not destabilizing," because they "can destroy only Soviet cities, and not missile silos," and, in general, "the USSR threatens aggression."

"Can it really be true that you, a scientist who studies foreign policy, in fact believe in the fairy tale about a Soviet attack on the United States?," I said, unable to contain myself.

"Of course, the Soviet government will not use nuclear weapons; the Kremlin realizes what the results of a nuclear conflict would be," said B. Wainrod,

forcing the words out of himself with chagrin, but he nevertheless attempts to maintain that Washington cannot be sure of the USSR's intentions.

"But the Soviet Union has officially pledged not to be the first to use nuclear weapons and is proposing to the United States and other NATO member countries a treaty on the renunciation of the use of force, both nuclear and conventional!"

"All these are just agreements on paper," said Wainrod, coming up with no better reply.

"But why do you have a double approach to international agreements? Some you sign and consider to be binding, but agreements which you do not like you dismiss as being 'just on paper'. Isn't an agreement the objective of the Geneva negotiations?"

"Many of us do not want these agreements. We place our trust in SDI and feel that a liberal interpretation of the ABM Treaty which would allow testing and development is legitimate; it opens the way for SDI."

"You are recommending that weapons be placed in space, which will make negotiations on how to control them impossible. Why do you not immediately conduct negotiations on a major reduction in nuclear weapons?"

"Such negotiations are useless. The Soviet Government is against SDI and does not wish to make the reductions in its armaments which we want," declared the Heritage Foundation representative, not at all ashamed to openly preach the gospel of American military supremacy.

At a discussion of the question of strategic defense under the leadership of the very same B. Wainrod at a roundtable conference, Colin Gray, one of the Heritage Foundations's specialists and president of the National Institute for Public Policy, made a telling admission of the true role of SDI: "...if our SDI program does not 'stimulate the arms race', as they claim, I will be very worried. Our SDI is intended both in the near future and in the more distant future to defeat Soviet strategy; they have sufficient reasons for wanting to stop us." In studies by this "brain trust" one often finds references to the effect that the Soviet economy will not be able to stand the strain of an arms race imposed upon the Soviet Union by the United States...

Speaking at a press conference in Geneva, M.S. Gorbachev pointed out that "a large part of American policy relative to the Soviet Union is founded upon erroneous conclusions." On the one hand it is hoped that the arms race and the continuation thereof will exhaust the Soviet Union economically, will weaken its influence around the world, and at the same time will free the hands of the United States. On the other hand, there are errors in military calculations. "Now, it seems to me, there are illusions existing in U.S. military circles, and which have been transferred to some degree to political circles and, perhaps, to the President in particular... In the United States, obviously, it is felt," continued M.S. Gorbachev, "that currently the Americans have a certain lead on us in some types of technology, in computer, radio and electronic technology. There is again becoming evident a desire to

achieve military supremacy by seizing this 'advantage'." And he cautioned against this false course.

The Soviet Union will make every effort possible to achieve a practical solution, through cooperation with the United States, to the tasks of halting the arms race, reducing stockpiles of weapons, and ensuring the proper conditions for lasting peace between our peoples and secure peace on Earth and in space. Ordinary Americans understand this. And they applaud this policy.

New York - Washington - Moscow

12825

1807/139

14 March 1986

WORLDWIDE TOPICS

FRIENDSHIP SOCIETIES OFFICIAL INTERVIEWED ON ANNIVERSARY

Moscow SOVETSKAYA KULTURA in Russian 24 Sep 85 p 2

[Interview with Ye. B. Ivanov by N. Zuyev: "Cooperation in the Name of Peace"]

[Text] On the eve of the sixtieth anniversary of the Union of Soviet Friendship Societies and the cultural ties with foreign countries, our correspondent met with First Deputy Chairman of SSOD [Union of Soviet Friendship Societies] Ye. V. Ivanov and asked him to answer a few questions.

[Question] Yevgeniy Vyacheslavovich, VOKS -- the All-Union Society for Cultural Ties with Foreign Countries -- was organized six decades ago. What tasks have been assigned to VOKS during those years?

[Answer] That social organization united prominent figures in Soviet science and culture. Its tasks included familiarizing the Soviet public with the culture of foreign nations and the popularization abroad of our country's achievements. VOKS carried out close cooperation with foreign societies of friendship and cultural ties with the USSR which were created in a number of countries on the initiative of progressive figures in democratic organizations who spoke out in favor of friendship and the establishment of cultural exchange with the young Soviet republic. The USSR was visited by delegations of foreign societies, as well as prominent figures in world science and culture. They included P. Langevin, R. Rolland, M. Andersen-Nexe, R. Tagor, and many others. In its turn VOKS regularly sent to other countries information about the USSR, as well as delegations and individual representatives of Soviet science and culture. It was the channel through which leading theatrical, musical, and choreographic groups and outstanding Soviet performers made visits abroad.

[Question] Then it has already been almost 30 years -- or, more precisely, since 1958 -- that, on the basis of VOKS, a mass organization of the Soviet public for the development of friendly and cultural ties was created: the Union of Soviet Societies of Friendship and Cultural Ties With Foreign Countries. Was that explained by the increased scope of the foreign contacts?

[Answer] The Union of Soviet Societies is a qualitatively new organization which absorbed all the best that had been achieved by VOKS. At the same time, the nature of the activity of SSOD, and the forms and methods of its work differ substantially from the previous ones. They conform to the requirements of the time.

The Union of Soviet Friendship Societies has grown and today unites 82 Soviet associations and societies of friendship with individual countries and groups of countries, branch associations of scientific and cultural figures, republic-level societies of friendship, more than 1300 society departments, and 31,000 of their primary organizations that have been created at enterprises and institutions throughout our country.

[Question] The current year, the year of the fortieth anniversary of the Victory over fascism and Japanese militarism, was broadly marked by progressive mankind as a whole. How did the foreign societies participate in that work?

[Answer] In many countries there were meetings between young people and war veterans, USSR Friendship Months, Weeks, and Days, solemn conferences and meetings, colloquia, symposia, and conferences dealing with the topics of the fortieth anniversary of the Victory. Exhibitions and festivals were devoted to that date, as well as ceremonies involving the laying of wreaths on the graves of Soviet fighting men and heroes of the Resistance. The initiators and organizers of many important measures were the friendship societies. The activities of the USSR friendship societies in many countries around the world were marked by a large number of commemorative measures this year. In Vienna, for example, on the initiative of the Austro-Soviet society there was an international meeting of European friendship societies, which was devoted to the fortieth anniversary of the liberation of Europe from fascism. Other measures included the conducting of a regional meeting of representatives of the USSR friendship societies in the North European countries, and numerous bilateral meetings. They contributed to a situation in which the celebration of the fortieth anniversary of the Victory became the determining direction in the activity of many friendship organizations during the current year. The participants commented on the importance of the participation by the society members and the broad public in the struggle for the liberation of Europe from nuclear weapons, and the struggle to create nuclear-free zones and to prevent the militarization of space.

[Question] Yevgeniy Vyacheslavovich, from year to year there has been an increase in the number of foreign societies of friendship with our country...

[Answer] During recent years alone, the number of foreign societies of friendship with our country increased from 120 to 136; and in many countries the number of their local departments has been growing. It is noteworthy that many foreign organizations currently are carrying out through the channels of the friendship societies more and more frequently not only a cultural exchange, but are also participating in a political dialogue and are discussing the vitally important international problems that are of concern to mankind.

The USSR also maintains and deepens its traditional ties with the socialist countries. Those ties are based on friendship and various kinds of cooperation, and this corresponds to the vital interests of our nations. Millions of people in the fraternal countries visit the USSR, and become acquainted with the successes achieved by the Soviet nation in the building of

socialism. In turn, the emissaries from various republics in our country annually visit Poland, Czechoslovakia, Hungary, Romania, and other countries.

Solid ties are carried out with the France-USSR Society. In May a festival of friendship between Soviet and French young people was successfully conducted, and Russian Federation Days will be held. Preparations are under way for a Franco-Soviet colloquium at which the question of preventing the militarization of space will be discussed.

Various kinds of ties have been established between the USSR--West Germany Society and the West Germany--USSR Federation of Societies. They are doing a lot in the area of expanding the ties. USSR Days are conducted successfully in Mannheim, and Azerbaijan Days are being prepared in the Rhein-Neckar region, as well as RSFSR Days in North Rhein-Westphalia. In our country there have been Hessen Days in Armenia, and exhibitions entitled "A Glance At Life in West Germany" have been held in Dushanbe and Ashkhabad. Recently in Tbilisi there was a meeting between representatives of the Soviet and West Germany public in connection with the fifteenth anniversary of the Moscow Treaty.

In addition to the Dartmouth meetings with the American public which have already become traditional, there have arisen new movements, including those of medical scientists and jurists, and ties between cities. There has been an expansion of the ties with the National Council of American-Soviet Friendship and a growing number of its departments in many cities in the United States. The members of that council have issued a statement that unmasks the falsifiers of history and reveals the importance of a course aimed at friendship and cooperation between the Soviet and American nations. In 25 American cities there were commemorative measures that were imbued with the spirit of improving the relations between the two countries in the interests of reinforcing the international security.

There remain on the map of the world fewer and fewer countries that do not now have organizations of friendship with the Soviet Union. Throughout the world there has been an increase in the interest toward the world's first socialist state. New friendship societies have been created in our country. They include: USSR-Argentina and USSR-Nicaragua.

5075

CSO: 1807/118

WORLDWIDE TOPICS

AIDS 'IS NOT A NEW AND UNKNOWN VIRUS'

Minsk SOVETSKAYA BELORUSSIYA in Russian 24 Nov 85 p 3

[Article by S. Lyapich under the rubric "Anatomy of a Sensation": "AIDS"]

[Text] Anxiety and fear gripped people in many countries of the world in the wake of reports of a previously unknown killer virus. Soon, discussion of AIDS had gone far beyond the bounds of medical science.

The one thing which was obvious to me from the very beginning was this: the AIDS virus has had great luck with publicity. This despite the fact that no less dangerous viruses, fortunately known but to a few, quietly dwell in virologists' test tubes, like tigers in cages. Whatever the case may be, at some moment before the appearance of AIDS a "cage" was left open.

Today the mournful statistics of its victims, begun in the United States in the spring of 1981, are being kept in more than 40 countries around the world. And if not AIDS itself (which is the scientific name for the acquired immune deficiency syndrome virus), then at least various stories and conjectures have crossed the borders of all the states in the world that publish newspapers. The result was not long in making itself felt: in the Western world a sort of psychological epidemic or, in plain English, panic, is growing. AIDS is on the offensive. This is somewhat closer to home than hit movies with shooting and other frightening scenes. A virus which destroys the body's immune system! AIDS has been detected in virtually every tissue in the human body! Doctors are feverishly searching for a sure means of treatment!

Publicity is not done quite that simply. The hullabaloo about AIDS promises to be quite a moneymaker, since the average man on the street is concerned about his health. One of the magazines published in the FRG shows a man and woman kissing on a two-page spread. The caption warns that during such an innocent act the AIDS virus could slip into the body. Just below is an advertisement for a special aerosol spray, use of which provides temporary protection. And although not a single case of transmission of the virus through air passages has been scientifically proven, pharmacists are rubbing their hands with glee at the business they are doing.

Diagnostic medicine is also a guarantee of good profits. The average person will, sooner or later, either out of fear or curiosity, come in to have tests run. And what's wrong, for example, with doing business in blood specimens with the guarantee "Tested, no AIDS!"? In a word, AIDS has had great luck with publicity.

But what was it that happened in the United States in the spring of 1981? Who let the "genie" out of the bottle?

There are at least a dozen versions as to what occurred. Named as probable sources of infection are green African monkeys which are carriers of the virus but do not have AIDS themselves. It is not without reason that journalists are also beginning to look toward the Pentagon, which has long been conducting experiments with bacteriological weapons. One fact is indisputable: no one knew about AIDS until it was discovered in 1977 by virologist Robert Galeau, a Frenchman living in New York. Who can prove that AIDS did not exist in nature before it was discovered by science?

Today, record keeping on AIDS is in full swing. However, work for the undertaker's office has hardly increased at all. It is the jobs of support personnel in the medical profession which have gotten busy. The American Center for Disease Control (CDC), well-known in many countries, exists on Christian donations, and publishes information on AIDS in virtually all of its bulletins. Some facts from recent editions of CDC publications are of interest not just to specialists.

According to these bulletins, cases of the virus have been recorded on every inhabited continent. A total of 30 percent of all cases of the disease are in the State of New York. The majority of persons infected with the disease are people inclined to sexual perversions (homosexuals), as well as drug addicts who use unsterile syringes for injections. This highly unusual contingent of persons infected with AIDS has served as the cause for the most improbable sort of conjecture. But, without going into the medical details, one may affirm that AIDS is very active under conditions of perversions and social ills. The virus has turned into a sort of boomerang against the much-praised bourgeois freedoms. In the United States, for example, all types of prostitution are legal. Bourgeois morality accepts as a legitimate part of human nature something which is not even normal for the majority of animals. This is what human rights are taken to mean. Incidentally, according to the latest statistics, the growth rate of AIDS infection as the result of homosexual contacts has declined. They have gotten scared. And that is no surprise. In the United States, 75 percent of those diagnosed as having AIDS before January 1983 have died.

A few more statistics. Over half of all AIDS cases have been recorded during the past year. A total of 94 percent of all AIDS victims are male. A total of 90 percent are between the ages of 20 and 40.

Women, for example prostitutes, can also be infected by homosexuals. But even in the United States the percentage of such cases is small. Children born to

mothers with the disease can also become infected with AIDS. Casual sexual relations are also a factor in transmission of the disease.

Included among so-called "high-risk groups" are not only people inclined to sexual aberrations and drug addicts, but also those who require frequent transfusions of blood or its components (one percent of all AIDS victims). Alas, no one is insured against such procedures. CDC statistics take this possibility into account. Here is one more figure: AIDS transmission occurs at a rate 10 times faster than normal as a result of blood transfusion or use of preparations from made blood components. It is true, however, that on account of the growing scale of inspections, this figure does not seem particularly terrifying.

Another fact is more curious. I quote: "The United States Health Service warns that blood or plasma from persons with symptoms or signs of AIDS should not be used." Further it is recommended that "entry into the United States by persons from Haiti should be limited, as well as contacts with them."

Why are Haitian immigrants in such disfavor with AIDS statisticians? It seems strange that on the detailed list of "high-risk groups," which based on means of transmission, persons of Haitian origin are separated into a special classification entitled "others and unknown." However, no particular sexual anomalies or inclination to narcotics have been discovered among Haitian immigrants. Haiti is also not noted for a highly developed system of blood transfusions. It has also been proven that the historical place of origin of AIDS is in Africa -- far from Haiti. One conclusion presents itself: AIDS entered Haiti by special means, by force. But in the United States it is not the practice to name names of those who might have opened the "cage" holding the insidious disease. Otherwise the CDC, which is "highly objective" and "independent of the U.S. Government," would not be attempting to confuse the issue.

Benjamin Iosifovich Vatyakov, active member of the USSR Academy of Medical Sciences, chairman of a special commission on particularly dangerous viral infections and the chemistry of viral infections, and director of the Belorussian Epidemiological and Bacteriological Research Institute, gave the following opinion on the AIDS problem:

"In the summer of this year, while attending an international virologists' conference in Italy, I heard a detailed report by the discoverer of AIDS, Robert Galeau. I will base my comments on his conclusions."

"I will begin by saying that sensational reports about this virus in the West in no way reflect the true nature of the problem. AIDS definitely does not seem to us to be a new and unknown virus. It has numerous relatives among the so-called retroviruses, which infect animals and which have been studied in relatively great detail. Now human retroviruses have been discovered. All these viruses have one special characteristic: they are incorporated into the cell's genetic apparatus and thereby lose their characteristic traits. The infected cell divides, transmitting its provirus to the next cell. It is as if the retrovirus hides ecologically, and is dormant for long periods of time. But when the organism is affected by stimulant factors such as

insolation, hormonal compounds, stresses, etc., the provirus is "transscribed" from the cell's genome and yields the mature form of the virus. This form has a protein casing and manufactures antibodies. Incidentally, in AIDS's places of origin, the countries of equatorial Africa, persons carrying AIDS antibodies accounted for 30 or 40 percent of the total number of persons examined. Yet these are completely healthy individuals. The great quantity of antibodies in their blood indicates that at some time in the past they have already overcome the disease."

"Consequently, not everyone dies of AIDS. Focuses of this virus exist around the world, and have obviously been in existence in America for some time. AIDS was probably introduced into the United States along with black slaves. It entered Japan through Portuguese sailors."

"Today several different strains of the virus with varying genome structure and the resultant difference in infectiousness have been discovered. But, comparing this infection with others, I must say that there exist viruses which are much more dangerous than AIDS. And medical science is not so helpless against AIDS as it might seem."

"We know the nature of retroviruses, their mechanism of replication and their relationship to certain blood cells. Since there is widespread distribution of antibodies among people who are virtually completely healthy, and the antibodies of the virus' pathogens have been isolated, efforts are being made in all the countries of the world to examine blood donors for signs of infection with retroviruses. Measures are being developed to prevent AIDS from infecting blood compounds. For example, sterilization of compounds with beta-propylakton and ultraviolet radiation, which was first tested in the FRG, completely eliminates the possibility of infection by AIDS and other viruses, for example, hepatitis. Preparations of ribavirin (its Soviet counterpart is ribamidil), suramin and IFN suppress the ability of the AIDS virus to replicate itself."

"However, science today does not know all the factors which awaken AIDS from its dormant stage. These remain to be determined. And although the social structure of our country does not encourage the appearance of AIDS, we must be on our guard. Development of methods to combat this infection and measures of prophylaxis are a very real concern. The storm of publicity in the West is in no way connected with this."

12825
1807/142

SOCIALIST COMMUNITY AND CEMA AFFAIRS

FOREIGN TRADE, HARD CURRENCY CREDITS WITH WEST DISCUSSED

Moscow EKONOMICHESKAYA GAZETA in Russian No 49, Dec 85 p 21

[Article by A. Sarkisyants, USSR Foreign Trade Bank economist, under the "Foreign Economic Ties" rubric: "In the Mutual Interest: The Currency and Credit Ties of Socialist and Capitalist Countries:"]

[Text] The Soviet Union and the other socialist member-states of the Council for Mutual Economic Assistance [CEMA] constantly stand in favor of the development and strengthening of mutually beneficial economic relations and, correspondingly, currency-credit relations, with all groups of countries, irrespective of their social-economic system. Such ties are maintained, in particular, with practically all of the industrially developed capitalist countries. These relations are set up along the traditional configurations in international usage. First and foremost is financing based on intergovernmental agreements on the terms for export credits; commercial bank credits (bank-to-bank and syndicate credits), producer financing credits, and others.

STABLE AND BROAD TIES

With a view to ensuring the timeliness of payments, the complete security and maximum return of resources in freely convertible currencies, and also for the maintenance of their sound arrangement, the socialist countries carry out various operations--the purchase and sale of currencies on the international markets, the attraction and investment of deposits, and so on. The precision of the conduct of these operations by the foreign trade banks of the socialist countries has received high recognition on the currency markets, this being indicated by their extensive ties with the financial organizations of many countries of the world. Thus, the largest commercial banks in the world are included in the approximately 300 regular partners of the Bank for Foreign Trade [Vneshtorgbank].

A wide range and variety of forms of credit ties, and a growing volume of foreign trade activities, have brought about a growth in assets of those banks of the socialist countries that conduct foreign operations. Thus, the sum total of assets of the USSR's Bank for Foreign Trade totalled 56 billion rubles as of January 1, 1985, indicating a growth of more than twice that of the last decade. The bank's earnings also more than doubled and in 1984 exceeded 300 million rubles.

The sizeable scale of economic collaboration and its long term character have brought about an expansion in the utilization of long-term bank credits in interrelations with our partners. The successful development in the USSR of credit relations with the banks of a number of countries has assisted in the realization of many large-scale projects, for example, the development of the Fedorovsk and Samotlorsk oil and gas deposits and the construction of the Sayansk aluminum factory.

Stable bank credit ties assist the growth of foreign trade transactions. Thus, while in 1979, for the one-year period up to the signing of the inter-governmental agreement on the basic terms for provision of financing of Soviet purchases of machinery, equipment, and metal products in Austria the volume of import of these goods from Austria into the USSR totaled 267.2 million rubles, in 1982 it totaled 428 million rubles and in 1984, 691.2 million rubles.

Other CEMA countries received a number of large credits from England, France, Italy and Japan. A significant portion of these credits was used to finance an expansion of export production.

In recent years the correspondent relationships abroad of the joint banks of the CEMA countries--the International Bank for Economic Cooperation and the International Investment Bank--have expanded. These banks' credit operations are growing rapidly.

NEW FORMS OF COLLABORATION

In the last decade, new forms of collaboration have developed along with the growth in the volume of currency-credit operations. Among the signed agreements on long-term credits with banks of the western countries, compensation agreements, in particular, have begun to play a special role.

To the present time, more than 200 large compensation-financed projects have been contracted between the socialist and capitalist countries. The payment of interest and the liquidation of Western credits is done either partly or wholly in the form of deliveries of the finished product. According to the calculations of the United Nations' Economic Commission for Europe, 80 percent of the value of the entire volume of industrial transactions between the socialist and the western countries comes from compensation-financed projects. In the second half of the 1970's, important changes took place in the practice of producer financing, resulting in the wide use of new methods of refinancing on the basis of "forfeiting." This refers to a transaction in which the purchaser issues a promissory note to the exporter, and the latter discounts it at a bank, receiving cash free and clear. Thus the bank will bear the entire responsibility and, in its turn, can put such a note into circulation on the market, "a-forfe" [at a set price], where similar notes circulate, and extract a profit from it. When the time expires, the note is paid off by the importer.

The unusual nature of such transactions is that the notes of importers from the Soviet Union or from other countries that are members of CEMA are guaranteed principally by their foreign trade banks, which possess a good

reputation in international banking circles. A similar system of financing is actively utilized in the trade relations of the socialist countries with the small companies of the little Western European countries, and also with countries in which there has been an insufficient development of a system of favorable bank financing. In the first instance this applies to such governments as Switzerland, Austria, the Federal Republic of Germany [FRG], and the Scandinavian countries, up to 10 percent of whose trade with the CEMA countries is financed through the market "a-forfe."

The volume of operations on the international currency and credit markets of the Soviet overseas banks and of banks abroad that have the backing of the capital of the socialist countries, has recently grown. Several Soviet overseas banks, for example the Moscow Narodny Bank in London and the Donaubank in Vienna, have been entering syndicates of international banks financing deliveries of machines and equipment to the USSR.

The Foreign Trade Bank, the Moscow Narodny Bank, The Eurobank (a bank in Paris that has the backing of Soviet capital), and the Hungarian International Bank (a bank in London that has the backing of Hungarian capital) have actively begun to conduct operations on the market "a-forfe."

One of the forms of credit relations between the USSR and the capitalist countries that has also undergone an extensive development in recent years is the so-called financing credit, whose principal merit is its separation from any particular deliveries, providing the opportunity for a more broad and mobile utilization of the credit.

In recent years the Foreign Trade Bank of the USSR arranged a specially composed allocation of Eurocurrency financing credits from the establishing banking syndicates of the capitalist countries toward local expenses incurred in such countries as Brazil and Argentina in connection with construction projects using complete Soviet equipment. Hungary and Finland produced an analogous credit for Mexico. Such trilateral cooperation has big prospects.

Recently in the currency-credit ties of the USSR appeared yet another new element. The Foreign Trade Bank has begun to use the "ECU"--the "European Currency Unit" (set up by the member countries of the "European Currency System" on the basis of a "basket" of currencies of the members of the European Economic Community--EEC) as the currency of the credit in the organization of import of machinery and supplies from capitalist countries (Italy, Sweden). Such a unit is much more stable than the individual currencies included in it, and depends less on the fluctuations of the dollar, which is not included in it.

AGAINST WHOM THE DIKTAT IS TURNING

Along with the definite achievements in the development of currency and credit relations between the socialist and the developed capitalist countries, an analysis of their contemporary state shows in this area in recent years a series of negative phenomena, under the title of the "politicization" of these relations by the capitalist countries. In this one sees the striving of the

most aggressive circles of imperialism, first and foremost the USA, possessed by the mania of "containment" and "deterrence" of socialism, to employ any means in order to achieve the "zero option" in East-West economic ties.

In the area of credit ties, this bias revealed itself in the conclusion of an agreement by the member countries of the Organization for Economic Cooperation and Development (OECD) on the basic conditions for export credits employing a government subsidy (the so-called consensus). This agreement sets the minimal levels of interest rates for the export credits of countries participating in the agreement, the levels of cash payment, and the manner and dates of liquidation, depending on the category of the borrower by the standard of the Gross National Product per capita of the population.

The practical meaning of this agreement lies in the chronic growth in minimum rates, in reality, for all groups of borrowers; moreover, the members of the agreement cannot levy a lesser rate even if such a step is economically justified. The agreement presents itself thus as a creditors' cartel directed against the borrowers. This was especially emphasized by the conclusion of this consensus not within the framework of broad international negotiations, but within a tight group of developed capitalist countries, making up the Organization for Economic Cooperation and Development. Naturally, it is impossible to condone to such a diktat.

Experience shows that when the capitalist governments set up the credit restrictions, such a measure did not inflict any noticeable injury on the economy of the CEMA countries. The credits received constitute only a supplementary component when compared with the capital investments, national income and export opportunities involved.

The credit restrictions are inflicting obvious damage on the business circles of those capitalist countries who follow these restrictions. Examples of losses of Soviet orders and of orders from other CEMA member-countries with western countries that had endeavored to dictate financing terms were numerous. Those who flocked to such diktat attempts forgot that if you take into account all the credits granted, for example, by the Soviet Union to foreign countries, socialist, developing, and capitalist, by a comparison of amounts of credits received and granted, our country is itself not a debtor, but a creditor.

"We propose to all the world, including the world of capitalist governments, a broad, long-term, general program of mutually beneficial collaboration, taking into account those new possibilities that open before mankind an era of scientific-technological revolution," noted the General Secretary of the CPSU Central Committee, M. S. Gorbachev, at a session of the Supreme Soviet of the USSR.

The Soviet Union and the other CEMA member-states reject any forms of discrimination and the employment of trade and economic ties as a means of pressure, and they strive for the guarantee of the economic security of governments.

12911/13167

CSO: 1825/29

SOCIALIST COMMUNITY AND CEMA AFFAIRS

SOVIET AID IN CUBAN OIL EXTRACTION

Moscow PRAVDA in Russian 28 Oct 85 p 4

[Article by P. Bogomolov, Special PRAVDA Correspondent, Havana: "Oil. . . from a Health Resort/Cooperation Across the Borders"]

[Text] Varadero...The name of this famous Cuban health resort seems to be full of ocean breezes, the gentle sound of the waves. It is hard to believe that very nearby rivers of oil are flowing, and both geological exploration and industrial exploitation of the natural fuel deposits are being conducted.

"It's hard to believe now, but do you remember what it smelled like around here two years ago?" asked my old acquaintance, Enrique Saca, a graduate of the Azerbaydzhan Institute of Oil and Chemistry imeni M. Azizbekov, who now works as the head geologist in the "Center" oil refining enterprise.

It's true that at that time the characteristic smell of sulfurous Cuban oil gave rise to serious anxiety over the fate of the health resort.

Soviet specialists have helped to preserve this pearl of a coastline. A hermetic, environmentally safe system for gathering oil was introduced to replace the open system with transport by tanker. Intermediate collection points to which oil is piped simultaneously from several wells serve as important links [in this system]. The operation of the installation is electronically controlled. In "Center" facilities one is impressed, first of all, by the level of technical equipment supporting the work of the oilmen, and their skillful handling of the complex equipment manufactured by dozens of enterprises in the USSR.

Soviet specialists are helping their Cuban colleagues do the necessary construction at the oil field, master progressive methods of drilling and well operation, organize the storage and transportation of the raw material obtained, and adopt scientific methods of developing reserves of natural fuel.

"Our common task," says the supervisor of the group of specialists from the USSR Ministry of Oil Industries, D. Shapovalov, "is to achieve maximum efficiency in utilization of capital expenditures. The planned increase in

crude oil production will help our friends improve the ratio between imported and domestic energy sources in the fuel balance of the republic. And this will fully serve the interests of both Cuba and the Soviet Union."

"..To look to the future, to concentrate efforts on the key areas -- this is the general approach to their work characteristic of the oilmen of both nations. I was told about this on the eve of my trip to Varadero by the famous Cuban geologist Manuel Marrero. Before the Cuban revolution, he told me, 20 foreign companies took turns drilling wells on the island. But they operated unsystematically in pursuit of the advantage of the moment and, in addition, concealed the results they obtained from one another. This is the reason for the "verdict" pronounced in those years by the foreign authorities to the effect that Cuba does not have any oil reserves worthy of attention.

"We can say without mincing words that this was a short-sighted conclusion," continued Marrero. "Thanks to nationalization of the Cuban economy, a single nationwide policy in the area of utilization of natural resources and the unselfish aid of the USSR, we are now producing about a million tons of crude oil a year.

These are the technical and economic indicators. But there are also no less important hurdles of a professional and even psychological nature which have been cleared through the participation of the Soviet oilmen. The previous lack of confidence in the rapid growth of raw material recovery has been dispelled, the question of the training of cadres has been resolved.

By the way, Cuba already has more than 7000 oilmen, including 500 specialists with higher education, 950 technicians and 1500 skilled workers. In the ministry of basic industry of the republic, a scientific-production association was formed in record time consisting of a research institute and five enterprises.

Without stopping their geological research, the partners are increasingly shifting the center of their joint efforts to the area of field development. In comparison with the previous five-year plan, the volume of drilling in the country has increased by 40 percent, while the level of crude oil recovery has nearly tripled, exceeding the plan target.

It has been planned to incorporate dozens of new equipment sets from the USSR, and begin manufacturing a number of structures, spare parts and components in the Cuban machine building industry.

These are the plans, which will require an additional several thousand workers.

Soviet diplomas have great prestige among the Cuban oilmen. Take Enrique, with whom we began this story, in only two years he advanced from supervisor of a small service to head geologist.

"Thanks to my mentor Eduard Tkachev from the Northern Caucasus; he put a great deal of effort, knowledge and warmth into the formation of our collective." recalled Enrique. "And I obtained my current position after returning from Belorussia for a course to upgrade my qualifications."

The concerns and needs of the oilmen demand special attention on the part of party and state organs, and trade unions. Considering this question from the point of view of the experience of the fraternal [Communist] nations, the CC of the Cuban Communist Party made a special resolution. This resolution recognizes the essentiality of giving first priority everywhere to the construction of living quarters for the oil men, stipulates measures for improving their working and living conditions, and for providing them with three meals a day and with transportation to bring the workers of the sector to their workplaces.

"How is this resolution being implemented?" I ask the chief engineer of the enterprise "Center" Antonio Felix Sejasa.

"Two thirds of the collective," he says, "have already been provided with living quarters in the vicinity, in our municipality. For the time being, the remainder have to come from a far away; these men work three weeks at a time and return (home) on the fourth for rest and relaxation. But, on the whole, these difficulties are being overcome: if, this year, our enterprise has received 60 apartments, next year we will receive about 200. Half of the living space will be distributed as the administration directs, and the other half on the basis of trade union recommendations. This will help to maintain a balance among the interests of all categories of workers. In this way no one will feel slighted by us, not the rank and file drill men, nor the middle level team, nor the engineering staff."

Much could be added to these words. For example, that for each drill site there is a color television, that the enterprise dining room has adopted a system where workers order their meals in advance, and that during free time a specially designated bus takes those who want to go to the beach. All this raises the working capacity of the people and makes it possible to be more exacting in the evaluation of the results of their labor.

From Varadero a 55-kilometer oil pipeline goes to Matanzas, a major port and industrial center of the nation. Oil from the neighboring field, Boca-de-Haruco also ends up there. Both these streams must be refined along with imported raw material from the USSR. To facilitate rapid intake a huge berth for supertankers will be built. All around there will be well-equipped settlements and a thick network of roads. There will be no trace of oil on the ground or on the asphalt, after all, it will flow only through pipe lines. Nowhere will any gas flares be visible: the republic is planning to create power through gas processing. These are the plans.

In a word, by the end of the century the oil and gas bearing regions of Cuba are sure to become much more built up and convenient for working and living. But the pioneers of the sector will always remember the beginning of the journey: the first well, the first days on the seashore, the first oily streams from underground. And the first hand shakes with the envoys from the Soviet Union who are helping the Cubans recover oil.

9285

CSO: 1825/15

SOCIALIST COMMUNITY AND CEMA AFFAIRS

SHIRYAEV DISCUSSION OF CEMA ECONOMIC GROWTH

Moscow INTERNATIONAL AFFAIRS in English No 12, Dec 85 pp 18-24

[Article by Y. Shiryayev, Corresponding Member, USSR Academy of Sciences:
"The CMEA Countries: Dynamic Economic Development"]

[Text] In the Soviet Union and the other countries of the socialist community, considerable work is under way to speed up socio-economic development, provide the conditions for a qualitative restructuring of the material and technical facilities of the national economy and optimise its structure, ensure a rise in the well-being of the population and improve all aspects of the life of society.

Through acceleration of the country's socio-economic development to the attainment of a qualitatively new stage of Soviet society--such is the formula expressing the essence of the CPSU's current course.

Revealing the full momentousness of the tasks facing the Soviet economy, Mikhail Gorbachev said in his speech at the October 1985 Plenary Meeting of the CPSU Central Committee: "It is planned in the coming 15 years to create an economic potential approximately equal to that of all the preceding years of Soviet power and to almost double the national income and the industrial production volume. Productivity of labour is to be increased by between 130 and 150 per cent." (Footnote 1) ("Pravda, Oct. 16, 1985.")

The requirements of intensification of production in the CMEA countries predetermine the need for fuller use to be made of the advantages of mutual cooperation and the deepening of socialist economic integration. In his speech at a conference on accelerating scientific and technical progress in June 1985, Mikhail Gorbachev noted that, in spite of the country's large foreign trade turnover, its rate of growth can and must be speeded up and, most important, exports and imports must be made more progressive in character. This applies, in particular, to an acceleration of the growths of exports of machinery and equipment by raising their competitiveness and ensuring that enterprises have a vested interest in working for export. In the sphere of import policy, more effective use must be made of the opportunities offered by the mutually beneficial international division of labour, above all with the CMEA countries.

Similar tasks also face the majority of the other CMEA countries and this determines their common interest in accelerating scientific and technical progress, improving the structure of exports and imports, raising the quality of goods supplied to one another, the use of economic levers and incentives orienting enterprises and associations on taking the initiative and an interest in participating in foreign economic ties.

The tremendous technical and structural shifts in the modern economy dictate a largely new assessment of the problem of economic growth, the role of foreign economic ties serving the transition to a primarily intensive type of reproduction. It is understandable that the determination of a specific type of growth naturally involves a degree of conditionality since in actual economic practice it does not take any pure form, be it simply for the reason that the sum total of the latest technologies dominating at each new stage in the development of the productive forces certainly does not oust the traditional technologies immediately or completely. These technologies inevitably coexist for some time and, consequently, the conditions for organising economic affairs engendered by them also coexist (though not, of course, as "equals").

The most clearly defined variety of extensive development is, so to speak, a growth in outlays, under which the increase in production is virtually linearly dependent on the rise in inputs (the costs of production of goods and services plus average profitability). This dependence was retained, in the main, under the conditions of capital-intensive evolutionary scientific and technical progress, too, leading to a greater mass of resources used by the production apparatus. From the point of view of the servicing of input growth by foreign economic ties, it was their function of drawing increasing volumes of virtually all types of resources into international economic turnover that came to the fore.

During the transition (or preparation of the conditions for it) from primarily extensive to primarily intensive reproduction, a certain change took place in the assessment of the role of growth rates in the development of the national economy. A sometimes one-sided striving for greater rates (even to the detriment of economic equilibrium in general) was counterposed by a concept at first sight more balanced, of "moderate growth", proceeding from the tacit assumption that disproportions can be overcome and reproduction shortages eliminated by means of more moderate and even growth of all industries (and branches) of the national economy. The idea was that such conditions would make it possible to "bring up the rear" and raise the actual return of the economy in terms of final results.

The concept of "moderate growth" found currency as a sort of rejection of growth for growth's sake or high growth rates at any price. The temporary, transitional character of moderate growth, which was meaningfully only under the conditions of a regrouping of resources to make their final use more effective, was not recognised by many scientists and specialists immediately. On the contrary, there was a tendency to think of the contraction of extensive sources of growth as something absolute and to extrapolate it to modern economic growth in general. This is one example of the inertia of thought

(and economic management). In fact, in assessing economic growth opportunities, based on a rise in the costs of primary natural resources and a reduction of the inflow of labour resources into production, etc., the inflow of the resources was assigned the role of a total source of growth.

Ideas concerning the optimal growth rate of the economy also affected the concept of the development of foreign economic ties. This applies, in particular, to justification of the need for a greater increase in imports in order to maintain the same growth rates of the national income. In our opinion, such views constituted a simple extrapolation of extensive growth: per unit of increase, a growing volume of imported raw materials and fuel is required, as well as a rising increase in the deliveries of export goods with almost the same technical and economic parameters.

Now, there exists a need for a qualitatively new approach to this problem. A characteristic feature of the modern reproduction consists, above all, in the fact that the previous stage of scientific and technical progress, which was evolutionary for majority of branches and was accompanied, as a rule, by the supplementary equipment of the current production apparatus with partially improved technology, has been replaced by the stage of its restructuring on the basis of fundamentally new technological means and techniques, and the mass replacement and modernisation of obsolete equipment. As the April 1985 CPSU Central Committee Plenary Meeting noted, at the current stage, a growing need is felt for revolutionary shifts—a transition to fundamentally new techniques, the latest generation of machinery and equipment ensuring the highest efficiency. The question of retooling all branches of the economy on the basis of advanced achievements of science and technology is now on the agenda.

In organising mutual cooperation between the CMEA countries, full account must be taken of the specifics of the new stage in the development of the productive forces. These consist, in brief, in the following. First, a qualitatively new mediator has appeared between man and the object of labour. These are no longer simply working machines, but flexible automated systems of machines controlled by the most sophisticated electronics, biotechniques making it possible to separate a substantial share of the agricultural food production sphere from the traditional natural environment or one imitating it.

Second, the rift between the level of scientific achievements materialised in technology and production techniques and the level that modern science might potentially ensure is closing. This, in turn, is leading to a softening of the "technical multistructured nature of the economy", to an equalisation of technological supply of industries, lines of production and enterprises.

Third, the composition of society's productive forces is expanding, as is the sphere of application of productive labour (by including in it, first, the applied natural sciences or the so-called engineering disciplines, followed by the fundamental sciences); there is a related progressing intellectualisation of production and international exchange, and modernisation of its structure.

It should be noted that, under the conditions of the broad transition to new technology and production techniques, the quality and technical standard of output to a certain extent "split up" and become indicators of different orders. For example, even a high-quality traditional metal-cutting machine-tool cannot be taken as the basis of a technological flow-line controlled by electronics. The replacement of old technology and production techniques with new ones must, of course, be assessed from the angle of their economic feasibility. Once such a replacement has been undertaken, however, it inevitably leads to the output of a number of production units becoming obsolete, even if they achieve supreme standards in terms of material and energy intensiveness, processing precision and the like. Such output does not usually, of course, disappear completely. It is "simply" ousted into restricted peripheral sectors of international exchange.

To some extent, interbranch exchange (as a factor determining the dynamics of international exchange in general) is also pushed somewhat into the background. At the same time, there is a marked increase in the role of foreign ties in the fulfilment of intrabrand tasks, and tasks connected with the elaboration and introduction of new technological solutions are usually of this sort.

Simultaneously, the role of investment cooperation increases. This is explained to a substantial extent by the following factors. First, a rise in R&D outlays leads to a corresponding increase in the loading of national investment complexes and rises the interest in their international cooperation. Second, the need for a constant renewal of the production apparatus for the purpose of restructuring it to produce new goods (or new generations of products) is an incentive to specialisation of investment complexes (both in the construction of certain types of projects, and in their reconstruction and modernisation). Such specialisation improves the quality of the work and cuts the time involved.

Third, in spite of the relative (or even absolute) decrease in the role of fuel and raw-material goods in international exchange, the need for them has far from disappeared. The country exporting these commodities inevitably faces the question as to the proportions in which to distribute resources between the branches specialising in export production—the extraction and processing industries. Since the former group of industries is in a position to earn foreign currency, but cannot "earn" technical progress, the outlays on maintaining or expanding the production of fuel and raw materials also become a matter for international cooperation.

Fourth (in order but not significance), investment complexes are included in international cooperation because scientific and technical progress under modern conditions constitutes an essentially complex process. For instance, the very concept of technical "innovation" is becoming a derivative of the interlinks between scientific and technological policy and capital investment policy.

Investment cooperation has already proved its effectiveness. For example, according to estimates made by experts from the GDR, the natural gas coming to the country along the Soyuz pipeline replaces roughly 20 million tons of brown coal, the extraction of which would require 150 per cent more outlays than the GDR spent in participating in the construction of the pipeline. The realisation of the programme for the construction of nuclear power stations by 1990 will ensure total investment savings to a sum of roughly 10,000 million rubles.

Under modern conditions, the significance of investment cooperation is rising sharply, since the development and introduction of the latest technologies, and the reconstruction and modernisation of the existing production apparatus require the provision of corresponding resources. One tested method of cutting capital investment costs in the CMEA countries is their coordinated use.

It is a matter of making full use of the chief strategic lever for accelerating the socio-economic development of the CMEA countries—a fundamental speed-up of scientific and technical progress. And this presupposes a more rational and coordinated use of the community's resources, as an essential condition for a sharp rise in the return of the production and scientific and technical potential. (Footnote 2) ("Thus, in the USSR, outlays on science from 1971 to 1975 stood at 77,000 million rubles; from 1976 to 1980—they grew to reach a total of 97,900 million rubles. Considering the mean annual increase and volume for 1981 to 1984 [25,300 and 101,300 million rubles, respectively], the total sum for the 15 year period will, by the end of 1985, be over 300,000 million rubles. In the European CMEA countries, in the 1960s and 1970s the growth rate of outlays on science outstripped those of the national income. As a result, their share in the national income was 2.2 to 4.6 per cent and their allocations for R&D have reached about 40,00 million rubles.")

In modern conditions, the essence of the Council's activities is determined by the need to carry out an agreed-upon policy in the fields of economy, science and technology, to concentrate the CMEA countries scientific and industrial potentials along the main directions of scientific and technical progress with the view of mastering the production of new generations of most up-to-date types of machinery and modern technologies, re-equipping the national economy, and spurring the intensifications of production.

The significance of the "integration component" of the CMEA countries' socio-economic development under modern conditions is, of course, rising, this being connected not only with the growing volume of mutual contacts, though volume indicators are acquiring increasing weight. For example, in 1985, the mutual trade among the CMEA countries will reach the 200,000 million ruble mark (in transferrable rubles) for the first time. More important, however, is the fact that, given the change in the domestic and international conditions of reproductions, socialist integration is oriented increasingly on promoting intensive economic development based on the use of the latest achievements of science and technology.

From this point of view, the mid-1980s constitute a new frontier in the development of socialist economic integration. The decision to elaborate the Comprehensive Programme for Scientific and Technological Progress oriented the interaction between the fraternal countries on collective solutions to long-term problems of socio-economic development, objectively conditioned by the developing frontal technological revolution in the productive forces. This orientation does not mean, of course, that today's problems are diminished.

Indicative in this respect, for example, are the decisions of the 40th CMEA Session, which summed up the work on implementing the instructions of the Economic Summit Conference of the CMEA Countries. (Footnote 3) ("For details see International Affairs, No. 10, 1985"). In the course of the Session, a general agreement was signed on multilateral cooperation in elaborating and organising specialised and cooperated production of flexible production systems for machine-tool building and production of flexible production systems for machine-tool building and their large-scale introduction in the economy. This is, of course, an agreement looking to the future, to the formation of the material and technical basis for the next century.

The CMEA countries are already today tackling major problems involved in the modernisation of machine-building and radioelectronics on a multilateral basis. Thus, within the framework of the agreement on multilateral cooperation in creating a unified basis of electronics goods, work is under way on 600 types of integral microcircuit and semi-conductor instruments, more than 300 types of radio parts and components. In accordance with this general agreement on multilateral cooperation in microprocessor technology, about 100 types of machinery and equipment using microprocessors are currently being developed. Specialised production is to be organised for 29 types.

At the same Session, the results were summed up of the implementation of measures to ensure rational use of resources. It was noted that, in spite of the successes scored in reducing the energy and material intensive lines of production, considerable reserves still remain here. According to some estimates, the CMEA countries could, using the same volume of fuel and raw materials, produce 50 per cent more final output. The collective use of these reserves is the goal of the programme for cooperation between the CMEA countries in economising on, and making rational use of material resources up to the year 2000. As experience has shown, economic growth under modern conditions is directly linked with a solution to the problem of economising on resources. Thus, the share of intensive factors in the increase in the USSR's national income rose from a quarter between 1971 and 1975 to about two-thirds between 1981 and 1985. (Footnote 4) ("See World Marxist Review, No. 9, 1985, pp 18-19. According to available estimates, the development and introduction, by joint efforts, of energy-saving techniques, equipment, machinery, instruments and materials, and the implementation of programmes for rationalising the use of energy will allow the CMEA country to save by 1990 [compared with 1980] 280-300 million tones of reference fuel, and by the year 2000—600-700 million tons of reference fuel [not counting the ousting of organic fuel by nuclear, hydraulic and non-traditional energy sources]").

The orientation on fulfilling a complex of socio-economic tasks, taking account of the near and more distant future, can also be traced in the improvement of the organisational and legal basis of mutual cooperation. Bilateral programmes for economic and scientific and technological cooperation are being elaborated or extended up to the year 2000. New multilateral agreements on specialisation and cooperation in production, and the joint construction of economic projects, and scientific and technological cooperation are being prepared. Greater demands are being made on the efficiency of the activities of the joint scientific and technological and production organisations created by the CMEA countries and direct links between enterprises, associations and combines are gaining in strength.

Work to improve the economic mechanism of socialist integration is based, at present, on more consistent account of the need for full use of and intensifying production. This presupposes the use of the latest forms and methods of planned management of the growing volume of mutual contacts, ensuring that they become more dynamic (as a condition and, at the same time, a consequence of the increasing dynamism of the economic growth of the national economic complexes).

One's attention is drawn here, in particular, by the volume indicators themselves. Indeed, even with relatively moderate growth rates (say, an average of 5 per cent a year), the volume of mutual trade during the 1986-1990 five-year period will reach, in 1985 prices, roughly 1,200,000 million transferrable rubles. This, in itself, is a major indicator, but of more significance is the way the growth in mutual trade is reflected in the increasingly dynamic and intensive nature of production.

The mechanism by which foreign ties influence intensive economic growth cannot but differ from that of the preceeding two or three decades. The current mechanism serves the use of other factors making for greater dynamism—above all, a deepening of intrabranch scientific production cooperation, and not interbranch specialisation. Interbranch exchange has its economic (and sometimes physical) limits, but the intrabranch division of labour and its cooperation are essentially unlimited. At the same time, intrabranch cooperation (apart from an orientation on the production of progressive types of goods, manufactured with the help of the latest technologies) requires a combination of a high degree of reliability of foreign ties with their flexibility.

The significance of reliability increases not only in connection with the growth in the volume of mutual deliveries, but also with the change in their quality. It is understandable that cooperation deliveries, even in a relatively small volume, can have a considerable impact on the production apparatus, if the output of large series of final output (or of goods of particular importance for the national economy) depend on them. Short deliveries are inadmissible not only on a large scale but also on a small scale, sometimes accounting for mere fractions of a percentage. Reliability includes also uninterrupted deliveries. The cooperating partners must receive them on time in accordance with the technical regime of production. The question of raising the reliability of mutual deliveries is a pressing one

also applicable to the final output. A major aspect of it is strict correspondence of the technical and economic parameters of the output to the highest parameters.

It is well known that outdated goods that do not embody the latest scientific and technological achievements are unprofitable not only to their importers, but ultimately to their exporters too. The latter, by carrying out "grey" exports, preserve the technical backwardness of the corresponding production units. Thus, on the question of the quality and technical standard of mutually supplied goods, the contradiction between the seller and the purchasers is only temporary. The community of their interests in relation to speeding up scientific and technical progress and intensifying production has, of course, a more solid foundation.

Flexibility of the forms and methods of mutual cooperation is also a well-known requirement, but under modern conditions it is becoming increasingly imperative. Flexibility is objectively necessary for many reasons. First, when jointly tackling major scientific and production problems, the partners must be able to restructure and reorganise rapidly their system of cooperation links to cope with any changes in the technical level and production technologies of the final products, their major units, modules and other components.

Second, if the basic innovations can become the subject of special agreements on cooperation, multiple related or improving innovations having, in aggregate, a considerable effect, must be spread, as far as possible, along the shortest possible channels, such as direct links.

Third, given the changeability of the requirements and parameters of the mutually supplied goods, there is an increasing need for stable links between the producers and consumers of the output, for the development of a network of after-sales servicing and the like.

In many cases, the conditions for reliable and, at the same time, flexible links between the partners may be created within the framework of international organisations, scientific-production associations, or joint enterprises and firms, set up to cope with various production, scientific and technological, commercial and other tasks.

For instance, major reserves for raising the effectiveness of mutual cooperation and making it more dynamic are included in the development of such a form of the socialist countries' planned interaction as direct links between their economic organisations. In the middle of 1985, over 4,000 enterprises and associations in the CMEA countries (excluding research centres) maintained direct links. In the future, the intensity of these links will naturally increase. They constitute, in particular, a major reserve for deepening interbranch cooperation for promoting the intensification and raising of the economic efficiency of production in the countries of the community, as well as further increasing mutual trade turnover.

The complex of measures elaborated and implemented by the CMEA countries in their socio-economic and scientific and technical policy shows that the socialist community will create the necessary preconditions for greater dynamism of economic growth in the near and more distant future. While mobilising their own efforts, the CMEA countries take account of the major additional opportunities offered for accelerating technical progress by modernisation of the system of the international socialist division of labour, and a further improvement of its structure and the specific forms of its realisation.

Obshchestvo "Znaniya", 1986
English Translation Copyright
Publishers 1985

/13104
CSO: 1 22/78

SOCIALIST COMMUNITY AND CEMA AFFAIRS

LEGAL ASSURANCE OF RELIABILITY, QUALITY OF CEMA GOODS

Moscow FOREIGN TRADE in English No 12, Dec 85 pp 37-42

[Article by Mikhail Rozenberg, D. Sc (Law), Honoured Lawyer of the RSFSR:
"Legal Assurance for the Technical Standard, Reliability, Durability and
Quality of Goods in the CEMA Members' Trade"]

[Text] One of the major tasks of the CMEA countries' economic cooperation is to raise the technical standard, reliability, durability and quality of their products. The legal norms regulating trade relations between organizations of the socialist countries play an active role in accomplishing this task which the CMEA members set at their Summit Economic Conference in June 1984. Basing ourselves on Lenin's precept concerning the role of legislation in economic policy,¹ let us see whether the existing legal code governing foreign trade shipments meets the achieved level of economic relations and their development over a long term; if not, which of its provisions require improvement.

It is known² that the main instrument for the legal regulations of foreign trade shipments, within the Council for Mutual Economic Assistance, used as a multilateral unified international regulation, is the CMEA General Terms for Deliveries.³ It contains special chapters such as The Quality of Goods, Checking the Quality of Goods, Guarantees, Claims in Respect of Quality and Quantity, a chapter entitled Cases Giving Exemptions from Responsibility, some provisions of which are applicable to the delivery of goods below the specified quality. In other chapters there are provisions regulating contract relations as regards the quality of products under shipment.

A brief description of these provisions and ways of improving them follows.

1. *Definition of the demands on the technical standard of mutually supplied products.* The CMEA GTD contains no direct provisions on this question. When the quality of the goods to be shipped is described in the contract by specific technical conditions (TC) or standards, the technical level of the products is determined by the content of the relevant TCs or standards. When the indicators of quality are stated in the contract or the parties have agreed upon a specimen of the commodity without reference to standards or TCs, the agreed quality indicators or specimen will be taken as the criterion of the commodity's technical level. It is by far not always that this criterion can be established with sufficient accuracy. If, however, the contract contains no specific demands on the quality of the commodity, it is understood (CMEA GTD, Para. 15) that the goods to be supplied should be equal to the demands commonly placed on their technical level in the seller's country. Such an approach to this important problem is hardly acceptable at the present stage of economic development when the purpose of the main strategical lever intensifying the economy is to drastically accelerate scientific and technical progress and keep the aim of cooperation in the mechanical engineering sector at "supplying the key productive branches with high quality machines and equipment meeting the world's technical level."⁴

It seems that the CMEA GTD should contain general provisions that would prompt the parties to write in their contract the necessary provisions ensuring mutual shipments of goods up to the world technical standard. This is particularly important with regard to machines, equipment, instruments, ships, complementary units and parts, including consumer durables. However, a decisive role in raising the technical standard of products could well be played by further improving CMEA standards, national standards and other normative technical documents used in the socialist countries. Of great importance for the proper solution of this question is the Convention on the Application of CMEA Standards.⁵ It obliges the participating countries to directly apply CMEA standards in contractual relations concerning economic, scientific and technical cooperation. In accordance with the Convention (Art. 5), departures from the requirements fixed by the CMEA standards referred to in the contract are allowed only with the permission of organizations authorized by the governments of the signatory states. It would be proper to lay down

that if the competent authorities of one or both states whose economic organizations participate in the contract do not recognize a departure from the CMEA standards as valid then the court of arbitration instituted to consider the claim of the relevant party to the contract should declare it null and void after having distributed the losses incurred on this matter between the partners in the contract with due regard for the concrete circumstances.

2. Definition of demands on the quality of goods. The provisions of the CMEA GTD (Para. 15) only suggest possible ways of solving a point under dispute in a contract. To be sure of raising the quality of goods supplied to the required level it is advisable to specify in the contract those normative technical documents to which reference may be made (for instance, CMEA standards, standards of other international organizations, national standards, technical specifications). Amendments need also to be introduced into the CMEA GTD provision stating that in the absence of concrete demands as regards the quality of goods in the contract, the seller is obliged to deliver goods that are not below the common average quality of those which his country sells abroad. Given a CMEA standard, if it is adopted by the states of the parties to the contract, the quality of the goods supplied should comply to that standard and not to the common average quality of goods available in the seller's country. This should be directly provided for in the CMEA GTD. In the event of an unfounded departure in the contract from the quality indicators referred to in the CMEA standard, we believe the same rule should be applicable as in the case of a departure from the requirements of the CMEA standard specified concerning the technical level of goods (see above).

3. Demands as concerns the reliability and durability of mutually supplied goods.

3(1). As distinct from the general approach characteristic of international trade, the CMEA GTD provide for the institution of a legal quality guarantee (for definite commodity groups) irrespective of whether or not the parties to the contract wished to lay down such a guarantee. The importance of the inclusion in the CMEA GTD of the institution of a legal quality guarantee to secure the reliability and durability of articles shipped can be clearly seen from the comparison of the CMEA GTD norms regulating responsibility for guaranteed quality and so-called general responsibility for quality (applicable in the case of non-guaranteed goods).

First. As concerns non-guaranteed goods, the CMEA General Terms of Delivery like the general norms of the national legislations of the CMEA countries, proceed from the premise that the seller is responsible for the correspondence of their quality to the requirements of the contract (goods must not have defects) until the time the purchaser receives them and becomes the owner; after that time the seller is responsible for a change in the quality only if such a change had occurred for which he is responsible (Point 2, Para. 71 and Para. 15). In giving a guarantee, however, the seller is responsible for the correspondence of the quality of the goods to the requirements of the contract (including the absence of defects) and for their capability of proper exploitation (use) during the entire guarantee period which is calculated from the day of their commissioning or from the date of delivery, that is from the moment the purchaser has become the owner (Point 1, Para. 28, Paras. 34 and 15). That is why in the event of delay in commissioning machines and equipment for which the seller bears the responsibility, the guarantee period, calculated from the date of delivery, is postponed by an amount equal to the period of delay (Para. 30). The guarantee time-limit is prolonged for the main plant or machinery for the period they were out of use due to a defect, and for the time needed to correct the defect, repair or replace faulty goods or their parts (Para. 35).

Second. For non-guaranteed goods, the period valid for the purchaser to present a claim to the seller must accord with the fixed time-limit for making claims. The possibility of using the commodity for its proper purpose during the entire guarantee period gives the purchaser the opportunity to repeatedly make claims against the seller for various defects in the commodity or for one and the same defect if it occurs again within the guarantee period. What is more, for the parts of the commodity supplied to replace defective ones the contract may provide for an additional guarantee period that may exceed the guarantee time-limits set for the main equipment (Para. 38).

Third. In the case of non-guaranteed goods, the seller is only responsible for defects in existence at the instant at which the goods changed hands or if the defects were due to causes existing at the time (Point 2, Para. 71). With a guarantee, the time when defects arose is of no importance. The seller is responsible for them under the guarantee and for defects that arise after the

purchaser becomes the owner unless he can prove that these defects were due to causes for which he is not responsible (wrong actions of the purchaser himself, casual events or damage occurring after the commodity had passed into the possession of the purchaser for which he has accepted the risk). For instance, the seller is not relieved of his responsibility under the guarantee for a fall-off by the commodity during the guarantee period of the technical indicators set and agreed in the contract, even if it took place due to a phenomenon whose appearance was, according to probability theory, possible by virtue of the properties inherent in the commodity. New defects in the commodity may also arise after the ownership change as a result of the seller's improper fulfilment of his guarantee obligations (for instance, the use, when repairing a product, of a guarantee spare part the seller supplied to meet a shortage and which later proved defective; carelessness of the seller's specialists in carrying out a preventive inspection or guarantee repair).

Fourth. When lodging a claim as regards non-guaranteed goods, the purchaser must prove, first, that the commodity had defects at the moment of the change of ownership, and second, if the matter concerns an alteration of quality that occurred after the change of ownership, that the alteration had been caused by circumstances for which the seller is responsible (Point 2, Para. 71). A similar provision on guaranteed goods imposes on the purchaser only the need to prove that the commodity has a defect preventing its normal use. But the burden of furnishing evidence that the seller is not responsible for the causes of the defect lies with the seller.

Fifth. In the case of non-guaranteed goods the seller is not entitled to alter the mode of satisfying a claim if the purchaser insists on a price-cut (Point 2, Para. 75). As for guaranteed goods, it is within the seller's competence to choose the mode of satisfying the purchaser's claim within the limits laid down in the CMEA GTD. The seller is entitled, instead of the price reduction on which the purchaser insists, to take a decision at his own discretion to remedy the defect (Point 3, Para. 31). Only if the seller fails to eliminate the defect, is the purchaser entitled to claim a commensurate price reduction (Point 4, Para 31). This difference in regulation is due to the fact that only as a last resort, when this is dictated by techno-economic considerations, should use be made of

the price-cutting mechanism, i.e., pay pecuniary compensation for the non-correspondence of quality to its guaranteed indicators, instead of their restoration.

S i x t h. There are substantial differences as regards time-limits for claims and the date from which they are calculated. For non-guaranteed goods this period is 6 months from the date of delivery, whereas for guaranteed goods it is 30 days from the expiry of the guarantee period, provided the defect is revealed during that period. Guarantee periods as a rule last 9-12 months. For machines and equipment they are counted from the date they are put into operation, and not from the date of delivery. When calculating guarantee periods the date of delivery is only of importance when the commissioning of machines is delayed for reasons for which the seller is not responsible (Para. 30). Moreover, for guaranteed goods the period for lodging a claim is automatically prolonged for the time during which the machine or equipment was out of use as a result of the revealed defect, since, as noted above, by virtue of the CMEA GTD, Para. 35, the guarantee period is prolonged accordingly.

3(2). The inclusion in the CMEA GTD of an institution of legal guarantee highlights the advantages of socialist economic cooperation which is based on radically different principles than economic cooperation with the participation of capitalist states. Apropos of this, the institution of a legal guarantee is not found in the 1980 UN Convention on international contracts of purchase and sale,⁶ General Terms for Deliveries, CMEA-Finland,⁷ or in the norms of national legislations applicable in foreign trade relations.

This institution ensuring the reliability and durability of mutually supplied products would no doubt be enhanced by a clear-cut definition in the CMEA GTD of the notion "quality guarantee" as it now has no definition. It could act as a criterion when setting demands on the reliability and durability of output. Its content could be reduced to the following: in giving, on the strength of the CMEA GTD, a guarantee of quality the seller undertakes to ensure, within a definite period of time, the correspondence of the quality of his commodity to the requirements of the contract, the absence of defects in it and its fitness for normal exploitation (use) according to its purpose. Such a definition would make it possible to unambiguously express the idea that the guarantee period is not merely a longer time-limit for

revealing defects and lodging claims, but a period during which the seller guarantees the faultless operation of the article (its fitness for normal use) and the preservation of its properties as envisaged in the contract.

3(3). As stated above, by virtue of the CMEA GTD (Para. 29) a quality guarantee is given for definite groups of commodities. What is more, the guarantee applies, in particular, to the quality of material used in their manufacture, the design of machines and equipment (if they are not made according to the purchaser's drawings), and also to those properties of goods which are agreed upon in the contract (Para. 28).

These provisions of the CMEA GTD, we believe, need certain clarifications.

F i r s t. Although there is a uniform understanding of the fact that a quality guarantee laid down in the CMEA GTD implies in principle a guarantee of qualified techno-economic indicators,⁸ it would be better, in the interest of commercial and legal practices, to make direct reference to this in the text of the CMEA GTD.

S e c o n d. The reliability of articles in operation to no small degree depends on the rapidity with which the revealed defects are eliminated. In practice, however, the seller frequently proceeds from the fact that he is only obliged to remedy the defects for which he is responsible, while the elimination of any other defects depends on his goodwill. That is why he does not begin removing the defects until it is established that the seller is responsible for them. Periods for eliminating defects would be considerably shortened by the inclusion in the CMEA GTD of a general rule obliging the seller to remedy at the purchaser's request the defects revealed during the guarantee period, irrespective of their causes. This rule would naturally include a provision to the effect that defects are eliminated at the expense of the purchaser if the seller is not responsible for them.

T h i r d. The CMEA GTD distinguish three groups of commodities which should carry guarantees.

For the first group, the seller is not only obliged to give a guarantee but also has to state the period of it and the procedure for its calculation. For the second group of goods whose list is given in the CMEA GTD the guarantee periods are laid down in contracts. The third group includes goods which are guaranteed by the seller by agreement with the purchaser.

In theory and in practice the question has arisen as to what consequences are entailed for the second group of

goods by the parties' failure to agree upon the guarantee periods for them. According to one point of view, from the imperative character of the CMEA GTD it follows that the non-statement in the contract of the guarantee period does not relieve the seller from the responsibility for a guarantee. The other viewpoint holds that in this case no guarantee is provided, and the purchaser possesses only the rights inherent in the general responsibility for quality laid down in the CMEA GTD for non-guaranteed goods.

Analysis of the list of goods comprising the second group (Point 3, Para. 29) shows that, in the practice of international trade, including trade between organizations of the CMEA members, not one of them, in view of their character, is sold without a guarantee (machines and equipment, ships and other floating craft, railway rolling-stock, wheel pairs for it, cable articles, consumer durables). Their sale without the seller's guarantee of their quality is only possible when the subject of the contract is second-hand merchandise, which is not typical of trade between the CMEA countries. A study of the history of the question warrants the conclusion that the only reason for the non-inclusion in the CMEA GTD of specific guarantee periods was that for these goods, stemming from the experience and the specific features of each of them, it proved impossible to fix common normative guarantee periods. Contract prices for these goods are formed with consideration of the ordinary conditions of their sale on the world market, and such an ordinary condition is the seller's guarantee of quality. Thus, adherence to the second point of view would entail non-equivalence in trade, i.e., non-observance of the mutual advantage principle.

The above-said considerations and the current task of raising the level of reliability and durability of products supplied call, as it seems, for the need of establishing a uniform approach to the question of guarantees as concerns the goods of the second group. In particular, it is necessary to ascertain whether or not such a uniform practice is already in existence which would make it possible to incorporate into the CMEA GTD specific guarantee periods for individual goods in the second group.

Fourth. Guarantee periods for individual groups of goods were included in the CMEA GTD in 1958, and did not undergo any refinements in the subsequent improvements made to this document in 1968, 1975 and

1979. With due regard for scientific and technical progress and the practice of international trade, the conditions have, perhaps, matured for a critical consideration of the question as to whether the present length of these periods is sound. The increase for individual groups of goods would undoubtedly illustrate the raised level of their reliability and durability. At the same time, technical progress has called for a much greater differentiation of individual types of plant and machinery than envisaged in the CMEA GTD (series machines and apparatus, small- and medium-sized installations, large-sized machines and big installations). In view of this the question arises should these changes in differentiation be considered when fixing guarantee periods.

Fifth. The CMEA GTD (Para. 38) lay down that for the parts of a commodity supplied to replace the defective ones a guarantee may be established with account of international practice. At the same time in bilateral relations between certain CMEA members for several years now rules have been in force providing for the unconditional extension of an additional guarantee in such cases, and also for establishing the period of its operation. It seems that conditions have matured sufficiently for an unambiguous solution of this question to be made on a multilateral basis within the CMEA framework.

3(4). Apart from goods which are guaranteed under the CMEA GTD, in the practice of international exchange and in the home trade turnover of several countries a definite shelf life is established for certain goods. These include, in particular, some foodstuffs and pharmaceutical products. In trade between the CMEA members the shelf life of certain commodities is also indicated in contracts. The CMEA GTD, however, contain no provisions regulating the parties' relations in fixing such time-limits. Nor do they contain provisions obliging the seller to ensure the soundness of the supplied commodity for the definite period laid down in the normative technical documentation (standard, technical specifications, etc.) to which reference is made in the contract. The CMEA GTD do not impose such an obligation on the seller even when the contract does not contain a provision as regards quality, and the seller should, under the CMEA GTD, Para. 15, supply a commodity that is of ordinary average quality as available in his country. At the same time, in the seller's country such time-limits are established for this type of

goods. Inclusion of appropriate provisions in the CMEA GTD would help enhance the reliability of goods supplied.

In working out rules for the shelf life of a commodity the following aspects should be considered.

First. Once the shelf life of a commodity is indicated in the contract, in the state standards or in any other normative document to which reference is made in the contract or which is applicable by virtue of the CMEA GTD. Para. 15, the seller has thus assumed a contract obligation for a definite period as concerns quality, which, if breached, entitles the purchaser to resort to means of legal protection envisaged in the CMEA GTD for cases when the quality of a commodity is not up to the requirements of the contract (common responsibility for quality).

Second. Generally, shelf life is indicated for goods intended for single, not repeated use. Accordingly, the establishment by the seller of the shelf life of a commodity takes on a dual meaning. First, the seller assumes responsibility for preserving the useful properties of the commodity during the period provided for in the contract. Second, he warns the purchaser that on the expiry of this period the commodity either cannot be used at all, or its utilization may not produce the effect the purchaser expected when he signed the contract. Therein lies the fundamental difference between the shelf life and the guarantee period. It seems that for a number of goods (for instance, canned food) it would be more reasonable to indicate in the contract the shelf life rather than the guarantee period.

Third. Shelf life, unless otherwise indicated in the contract or in the normative document to which it is applicable, should be counted from the date of the commodity's manufacture contained in the relevant document confirming its quality, or in any other manner (for instance, label, instructions for use, or an indication given on the commodity).

Fourth. In the contract it is advisable to indicate the minimally permissible shelf life of the commodity counted from the date of its delivery.

Fifth. The very fact of assuming such an obligation by the seller means that by virtue of the commodity's specifics the parties have, on the strength of the preamble to the CMEA GTD, agreed that the demands arising out of this obligation should be made during the shelf life of the commodity. By analogy with

the way it has been done in the CMEA GTD as regards the guarantee commitment, it would be advisable to lay down the premise that the purchaser is within his right to make a claim against the seller on expiry of the shelf life, say, within a period of 30 days, provided the defects in the commodity were revealed within the shelf life of the product.

Sixth. A study must be made of the question of whether or not the CMEA GTD should contain a non-closed list of goods in regard to which the shelf life should be indicated.

3(5). Reliability of operating plant and machinery in large measure depends on the supply of spare parts within the guarantee and after-guarantee periods. The task has been set of fully supplying mutually delivered plant and machinery with spare parts.⁹ It is envisaged that the seller of plant and machinery should fully (in terms of quantity and assortment) and in time meet the purchaser's requirements for spare parts needed in the after-guarantee period to assure normal operation of machines and equipment which he supplied.¹⁰ The CMEA and Yugoslavia GPSSP lay down the procedure for signing contracts for the shipment for such spare parts. However, without having the aim of creating normative regulation of the property relations between organizations connected with the above, they do not, nor can they impose material sanctions for non-fulfilment of this obligation.

It seems that to secure the fulfilment of the task set, the time has arrived to stipulate in the CMEA GTD both the procedure for signing contracts on the supply of spare parts in the after-guarantee period and the consequences for their violation, including material liability. As for spare parts shipments in the guarantee period, they are, in principle, subject to the CMEA GTD general provisions on guarantee. When the parties sign a contract on after-sale services, they abide by the CMEA General Terms of Technical Servicing (the 1973 CMEA GTTS in the wording of 1982),¹¹ which contain detailed provisions on this subject. As contracts on after-sale services are not concluded for all guaranteed goods, a close study should be made of the question as to whether or not the CMEA GTD should be supplemented with special provisions concerning the supply of spare parts within the period of the seller's guarantee for the article. An alternative to these proposals could be the elaboration of General Terms for Spare Parts Deliveries

which then would like the CMEA GTD have a normative character.

3(6). A uniform approach to the question of ensuring the reliability of articles supplied is hindered by the difference of opinion existing in literature and in arbitration practice on the application of the CMEA GTD individual provisions on the guarantee of articles when the parties have a contract for their servicing. One of these provisions proceeds from the premise that in such cases there is a complete transformation of the parties' relations as concerns the guarantee given by the seller to the purchaser under the delivery contract and, hence, the question no longer arises as to the seller's obligation on this point. Another provision consists in the fact that both contracts (on delivery and on technical services) can operate in parallel, and on the basis of each it is possible to make separate claims on the seller. A third approach also rests on the premise that both contracts operate in parallel as concerns the guarantee of quality. However, the seller's duty to eliminate defects in the guarantee period exists only in cases provided for in the CMEA GTTS and in the contract for technical services. Accordingly, the seller is entitled to use his rights as concerns the guarantee under the delivery contract when the defects in the commodity cannot be remedied by the technical services provided by the servicing agency in the purchaser's country.¹²

With a view to eliminating the existing differences of opinion it seems expedient for the relevant CMEA body to issue an authentic interpretation of the CMEA GTD and the CMEA GTTS.

FOOTNOTES

1. V.I. Lenin, Collected Works, Vol. 33, pp 442-443.
2. For reference see FOREIGN TRADE, 1980, No 5, pp 36-41.
3. General Terms for Deliveries of Goods between the Organizations of the CMEA Member-Countries (CMEA GTD 1968/1975 in the wording of 1979), further in the text "CMEA GTD".
4. See FOREIGN TRADE, 1984, No 8, Insert, p. 2.
5. VEDOMOSTI VERKHOVNOGO SOVETA SSSR, 1974, No. 39, P. 645.
6. See FOREIGN TRADE, 1981, No. 6, pp. 29-35.

7. FOREIGN TRADE, 1980, No. 6, pp. 29-35.
8. The specifics formulated in the CMEA GTD, Para 28(2), concern the volume and conditions of the guarantee of the techno-economic indicators of complete factories and installations.
9. See FOREIGN TRADE, 1984, No 8, Insert, p 2.
10. See Para I of the 1973 General Principles for the Supply with Spare Parts of CMEA and Yugoslavia in the wording of 1985 (in the text the CMEA and Yugoslavia GPSSP).
11. Hereafter in the text as the CMEA GTTS. See FOREIGN TRADE, 1983, No 3, pp 48-51.
12. This approach has found reflection in a number of decisions by the Foreign Trade Arbitration Commission under the USSR Chamber of Commerce and Industry. See FOREIGN TRADE, 1980, No 12, p 44.

COPYRIGHT: "Vneshnyaya Torgovlya" 1985, English translation, "Foreign Trade", 1985

/12851
CSO: 1807/178

SOCIALIST COMMUNITY AND CEMA AFFAIRS

CEMA COOPERATION IN INDUSTRIAL ROBOTS

Moscow IZVESTIYA in Russian 17 Dec 85 p 5

[Article by Ye. Yakovlev: "CEMA -- Accomplishments and Prospects: Linkage"]

[Text] I entered the office of the general director, actually general designer, of the Robot International Scientific-Technical Association at the exact moment when Yuriy Grigoryevich was admonishing his assistant:

"Tell all management personnel that starting tomorrow everybody has to sign his name in the register when he leaves on business," and, anticipating an objection, he added, "And you can start that register right now."

And immediately a thick notebook with a title impeccably drawn by a professional draftsman on the cover appeared: "Journal for Registering the Departure of Subdivision Managers of the Robot Scientific-Technical Department and Their Deputies." Czech and Soviet specialists signed it readily, it seemed to me, in any case at first: they wanted to make "Robot" more like a completely official organization. But this does not come easily.

In life many things seem obvious, but only at first glance; then you start to think about it and try to figure out what the essence is and suddenly the most ordinary things sometimes begin to be questionable: how, for example, does the working kopeck save the ruble?-- I still can't imagine that...

So I came to Presov, one might say, "softened up," taking everything that happened there as completely natural. The joint Soviet-Czech Robot Association was located on the main street of this Slovak city in a beautiful old building which, on the whole, was put in order quickly, but to be specific some places are still under repair.

There were already at least 20 joint enterprises operating within the CEMA framework and now another one appeared. This fact too can be cited as a sign of ordinariness, classifying it by the established system: the latest step in the economic cooperation of the socialist countries. But there was no other joint organization in the machine building field based on cost accounting. And it is more useful to ponder exactly why its appearance was necessary.

The international association develops and introduces robotized complexes and flexible production systems for the client, produces promising models of these items, and organizes their series production. "Robot" is the head organization which along with the other enterprises -- Soviet and Czech -- fulfills "turn-key" orders. And it does this under contract, that is, on a commercial basis.

Other interested countries can also become members of the association. So the association's goals were determined by an agreement between the governments of the USSR and the ChSSR signed in March of this year.

But why was precisely an interstate organization needed? Here is why. There are many robots and they are very alike: more than 200 models of industrial robots have been developed in the countries of the socialist community and almost two-thirds of them are the same as one another. Hurrying ahead I will say that in Presov they worked on analyzing robotized systems being produced by the Soviet Union and Czechoslovakia -- repetition was not only observed between two countries but within each one as well. So is it worth spending effort, money, and -- above all -- time on designing and developing what already exists?

The writer Karel Capek gave us both the concept and the word "robot" itself. Up to 50 different industrial robots are now being produced in his native land Czechoslovakia. But in small batches -- as they jokingly say: "They do it on their knees." For example, the plant in the Slovak city of Snina assembles no more than 5 robots to service metal cutting machine tools a year. And the machine tool building plant in Sterlitamak works on the same kind of thing, but it makes at least 200 robots a year and makes them for half the price. Once again violating the order of the narrative, I will say that coordination is being done with the international association's participation and the plant in Snina has stopped producing robots. The capacities that have been liberated have returned to their own primary and very necessary output -- machines for pressure die-casting.

The robots are linking up with the machine tools. The machine tools are installed in flexible production systems. It is fine when everything has been prepared for this and there is standardization of design concepts. But if not? However, there is no question -- we really do not have standardization or uniform standards for Soviet and Czech machine tool robots. In this case the linking up of the machine tool and the robot increases the initial cost -- sometime doubling it. The development of standard robotized systems avoids unnecessary expenditures.

Acceleration -- what people are thinking about a great deal and often talking about now -- ultimately means making quicker, cheaper, and better. And we cannot get by here with wishes only; executing any idea requires organizing it. The "Robot" is one of them. Combining efforts and doing what was done separately means designing, producing, and introducing more rapidly. Specialization and the creation of uniform standards, at first on the level of the two states and then within the CEMA framework -- eliminates many expenditures. The combination of the scientific potential of the two countries creates that "cerebral center" on the forward edge of machine

building which is able to use what was written in the intergovernmental agreement -- to reach the highest level of world technology... It may not be in the individual budget, but on the example of the economic activity of the socialist states still you can already imagine how this happens: the working kopeck saves the ruble and the krona as well.

In a new matter, when you start from scratch, nothing is trivial. Nothing moves ahead by itself; everything awaits its solution. Preparing drawings would seem to be the most ordinary job. But the general director calls in his deputy for production and marketing -- the Czech specialist Jozef Cerny -- and discusses even the letterhead with him. We have one standard letterhead and they have a different one.

"The 'Robot' is located in Czechoslovakia," says Kozyrev, "and we'll take the Czech one."

But Cerny objects: "We are going to sell drawings to Soviet enterprises."

"Let's put on two letterheads," Kozyrev proposes and recalls suddenly, "then we'll have to do a lot of drawing. I don't know how it should be."

No, the association did not emerge from nowhere. This is not its first year but already the second decade that the ENIMS [Experimental Scientific Research Institute of Metal-Cutting Machine Tools] Scientific-Production Association in Moscow and the VUKOV Scientific Research Institute in Presov have been interacting. Their model received the gold medal at the Robot-1982 Exhibition in Brno. They also decided on a joint planning and production design bureau; they assembled temporary collectives in Presov in order to complete work on the general designs. That bureau was called "Robot" and it became like a first-generation mechanism in relation to the present international association. But everything that was relatively simple to solve in conditions of one-time contacts was raised to the problem level when organizing a permanent relationship.

The monorail had already been secured, and steel arms with pincers stretched from it: a robot which hands 160-kilogram parts from one machine tool to another. Performance of the first order envisioned by the intergovernmental agreement is being completed in the space leased by the association: a line to machine heavy-shafts for the Velikiye Luki Plant. But it turned out (incidentally, we had to learn this several times, unfortunately) it is simpler to perform the order from metal than to put it together on paper: the foreign trade organizations are still discussing the contract. And "Robot," by buying machine tools, is investing capital at its own risk. At the same time the robotized complexes at hand are being installed; they have the same problem.

Inevitable initial complications? Unquestionably! We should note, however, that according to the signed agreement the international association itself should have been given the powers of a foreign trade organization. It performs all the jobs together: science -- production -- marketing. And this is done so that departmental barriers will not get in the way, to get as close as possible to the desires of the client, responding operationally to the

demands of the day. But you will have to agree that it is hard to keep in step with the times when your partners are operating at different, slower rhythms.

Linkage in the field of engineering also demands linkage in other spheres of Interstate relations. An association five-year plan is being worked out. Many things must be considered in the two countries' national economic plans, which means the work of their planning organs must be coordinated. In Presov they are going to work on the financial plan. But what methodology should they choose? A detailed outline has been adopted in the USSR; the Czech one is more general. They must find their own solution. And what will happen with assembly components? Will they be bought at wholesale prices or foreign trade prices? The next problem is price-setting for output from "Robot." And how can its economic effect be recorded in comparable prices and how can the association's profitability be determined?

Although it is a small beachhead, and although not everything is going smoothly, still a significant process is taking place: the convergence of the economic mechanisms of socialist countries using all the best things that have been accumulated and tested over many years. And there are no ready-made answers. It is necessary to search and experiment without exhaustive substantiation at present. It will come with time, based on experience. This will happen with "Robot" too. Someday historians will write how it began.

Every person must have his latent interest in the work. And if he doesn't -- don't expect any work: no use will come of it. General director Kozyrev has been working with robots all his life. His deputy Cerny has been interested in control systems for a long time. The cost-accounting organization on the international level is recruiting another deputy for economic work -- I.N. Knyazev. The third deputy, for planning and design work, is fascinated with the idea of organizing a highly skilled collective: what he could never even dream of may be accomplished.

The hopes are justified. A "cerebral center" is in fact gradually taking shape and specialists whose biographies are yet more proof of the fact that our countries have accomplished a great deal in training technical cadres are being assembled under one roof. Kozyrev and Kanayev are candidates of technical sciences. The first has 30 author's certificates and 150 printed works to his name. The second has 20 inventions and more than 50 publications to his name. Cerny formerly headed the Institute of Applied Cybernetics and managed an association of automation and computer equipment plants. Knyazev has two higher education degrees -- he is an economist and a specialist in international economic relations. The list could continue: although the average age of the people working at "Robot" is under 40, each person has accomplished a great deal.

But here too we should not be too quick to brag; more difficulties have appeared in personnel matters than were seen at first. Only one example. "Robot" is under the laws of the country of residence. But Czechoslovakia has different procedures for, as examples, vacations and taxes. And a decision must be made by the Federal Assembly of the ChSSR; only it can allow the application of our labor law to Soviet engineers, but for the meantime they

are counted as on temporary business trips. They have already settled in comfortable, thoughtfully furnished apartments, but they are empty and echo -- these people are living without their families, like students.

Of 275 people envisioned by the staff schedule for next year, 70 are not there. They would like to invite specialists from Prague and Bratislava but the work in the association is temporary, according to the agreement. Those who come receive housing which, though comfortable, is also temporary; it is not suitable for everyone. In addition there are no schools for Soviet children in Presov.

A couple of years ago Kozyrev and Knyazev met in the evenings after work at Kanayev's house -- his apartment in Moscow is somewhat larger. They would stay up till the roosters crowed, as they said in the olden days. They worked out documents -- a whole volume: "Technical-Economic and Organizational Materials for the Formation of the Robot Scientific Technical Department," and when they came to the office they would talk on the phone with their colleagues -- the initiators of the future "Robot" in Czechoslovakia. No new project, even an architypal state one, can get by without enthusiasts. But when this new thing has proven itself, stability becomes the most urgent and desirable thing.

The general director suggested that we drop in on the designers, and along the way he told me, "Their work is rolling along." We entered a brightly lit hall, still not completely in use. Blindingly white, untouched pieces of drawing paper were tacked to the drawing boards.

"But where are the drawings?" the general director shuddered.

"We turned them over for copying. We are starting 1986," they answered him.

12424

CSO: 1825/28

GENERAL ECONOMIC AFFAIRS

SOVIET FOREIGN TRADE STATISTICS: JANUARY-SEPTEMBER 1985

Moscow FOREIGN TRADE in English No 12, Dec 85, Insert

[Charts] Soviet Foreign Trade by Groups of Countries
(mln rubles)

		January—September	
		1984	1985
TOTAL	Turnover	102655,2	104370,0
	Export	54441,9	52460,0
	Import	48213,3	51910,0
Socialist countries	Turnover	59666,7	64125,4
	Export	31191,7	32559,1
	Import	28475,0	31566,3
including:			
CMEA member countries	Turnover	54276,9	57778,2
	Export	28423,7	29474,2
	Import	25853,2	28304,0

		January—September	
		1984	1985
Industrial capitalist countries	Turnover	29840,6	27829,0
	Export	15791,6	13385,0
	Import	14049,0	14444,0
Developing countries			
	Turnover	13147,9	12415,6
	Export	7458,6	6515,9
	Import	5689,3	5899,7

Soviet Foreign Trade by Countries* (mln rubles)

Countries		January—September		Countries	January—September	
		1984	1985		1984	1985
EUROPE: Austria	Turnover	1219,3	1217,8	Hungary	Turnover	6475,6
	Export	563,1	602,7		Export	3298,0
	Import	656,2	615,1		Import	3177,6
Belgium	Turnover	1281,6	1082,6	German Democratic Republic	Turnover	10961,7
	Export	902,0	657,5		Export	5385,2
	Import	379,6	425,1		Import	5576,5
Bulgaria	Turnover	8783,1	9212,6	Greece	Turnover	502,0
	Export	4660,8	4787,8		Export	415,5
	Import	4122,3	4424,8		Import	86,5
Great Britain	Turnover	1561,3	1396,0	Denmark	Turnover	348,1
	Export	974,0	832,6		Export	275,3
	Import	587,3	563,4		Import	72,8
	Turnover	302,8	269,1	West Berlin	Turnover	302,8
	Export	236,8	163,3		Export	236,8
	Import	66,0	105,8		Import	66,0

* The countries are given in the Russian alphabetical order.

Supplement to the *Foreign Trade* journal. Editorial office address: 11, Minskaya Street, Moscow, 121108, USSR. Telephone: 145-68-94

Countries		January—September		Countries		January—September	
		1984	1985			1984	1985
Ireland	Turnover	45,5	38,6	France	Turnover	2940,9	2845,0
	Export	17,3	17,8		Export	1694,9	1554,0
	Import	28,2	20,8		Import	1246,0	1291,0
Iceland	Turnover	83,7	80,5	Czechoslovakia	Turnover	9370,1	9807,8
	Export	40,2	36,6		Export	4948,1	5001,5
	Import	43,5	43,9		Import	4422,0	4806,3
Spain	Turnover	451,6	439,0	Switzerland	Turnover	582,8	627,7
	Export	224,4	148,2		Export	289,9	243,7
	Import	227,2	290,8		Import	292,9	384,0
Italy	Turnover	3371,2	2768,5	Sweden	Turnover	624,5	631,1
	Export	2388,4	1798,5		Export	440,7	391,8
	Import	982,8	970,0		Import	183,8	239,3
Liechtenstein	Turnover	19,7	6,2	Yugoslavia	Turnover	4129,4	4402,6
	Export	1,0	0,8		Export	2133,6	1986,1
	Import	18,7	5,4		Import	1995,8	2416,5
Luxembourg	Turnover	11,4	16,6				
	Export	5,7	6,7				
	Import	5,7	9,9				
Malta	Turnover	14,2	18,1	ASIA:			
	Export	5,8	4,5				
	Import	8,4	13,6				
Netherlands	Turnover	1431,2	996,4	Afghanistan	Turnover	691,5	673,7
	Export	1242,9	769,6		Export	465,6	430,6
	Import	188,3	226,8		Import	225,9	243,1
Norway	Turnover	138,3	142,2	Bangladesh	Turnover	22,7	39,3
	Export	78,2	91,2		Export	17,5	16,4
	Import	60,1	51,0		Import	5,2	22,9
Poland	Turnover	8293,0	8764,0	Burma	Turnover	2,1	0,4
	Export	4449,6	4804,3		Export	1,8	0
	Import	3843,4	3959,7		Import	0,3	0,4
Portugal	Turnover	75,7	92,1	Vietnam	Turnover	933,5	1056,5
	Export	42,3	43,0		Export	754,4	864,7
	Import	33,4	49,1		Import	179,1	191,8
Romania	Turnover	2692,6	3007,2	India	Turnover	1953,0	2285,7
	Export	1352,2	1350,5		Export	1066,5	1194,9
	Import	1340,4	1656,7		Import	886,5	1090,8
Federal Republic of Germany	Turnover	5732,9	5156,8	Indonesia	Turnover	38,0	75,0
	Export	3241,4	2862,9		Export	3,8	3,0
	Import	2491,5	2293,9		Import	34,2	72,0
Finland	Turnover	3580,0	3502,7	Jordan	Turnover	14,5	8,9
	Export	1833,4	1588,4		Export	14,4	8,9
	Import	1746,6	1914,3		Import	0,1	0

Countries		January—September		Countries		January—September	
		1984	1985			1984	1985
Iraq	Turnover	677,2	491,5	Pakistan	Turnover	99,0	77,2
	Export	135,6	150,6		Export	63,0	34,5
	Import	541,6	340,9		Import	36,0	42,7
Iran	Turnover	272,1	286,4	Saudi Arabia	Turnover	239,2	294,5
	Export	177,2	164,8		Export	18,5	11,3
	Import	94,9	121,6		Import	220,7	283,2
Yemen Arab Republic	Turnover	8,1	11,9	Singapore	Turnover	195,5	63,3
	Export	8,1	11,9		Export	18,0	8,8
	Import	0	0		Import	177,5	54,5
People's Democratic Republic of Yemen	Turnover	89,3	114,3	Syria	Turnover	363,0	366,8
	Export	84,8	107,4		Export	197,1	251,0
	Import	4,5	6,9		Import	165,9	115,8
Kampuchea	Turnover	59,9	68,3	Thailand	Turnover	23,4	55,3
	Export	55,5	61,9		Export	8,6	10,8
	Import	4,4	6,4		Import	14,8	44,5
Cyprus	Turnover	41,9	22,0	Turkey	Turnover	192,4	226,8
	Export	26,3	11,7		Export	105,1	114,9
	Import	15,6	10,3		Import	87,3	111,9
China	Turnover	699,6	1068,6	Philippines	Turnover	55,7	35,6
	Export	323,7	519,2		Export	4,5	12,5
	Import	375,9	549,4		Import	51,2	23,1
Korean People's Democratic Republic	Turnover	516,8	802,9	Sri Lanka	Turnover	45,4	29,1
	Export	267,5	508,5		Export	1,6	5,7
	Import	249,3	294,4		Import	43,8	23,4
Kuwait	Turnover	2,9	2,8	Japan	Turnover	2166,1	2544,1
	Export	2,4	2,5		Export	632,6	694,8
	Import	0,5	0,3		Import	1533,5	1849,3
Laos	Turnover	44,0	73,1	AFRICA:			
	Export	43,2	71,1				
	Import	0,8	2,0				
Lebanon	Turnover	31,7	14,4	Algeria	Turnover	117,4	299,3
	Export	27,2	9,7		Export	101,0	98,3
	Import	4,5	4,7		Import	16,4	201,0
Malaysia	Turnover	179,0	156,2	Angola	Turnover	125,9	57,7
	Export	9,5	10,0		Export	123,5	55,4
	Import	169,5	146,2		Import	2,4	2,3
Mongolian People's Republic	Turnover	1029,9	1099,2	Ivory Coast	Turnover	109,2	110,3
	Export	790,8	853,0		Export	1,4	4,1
	Import	239,1	246,2		Import	107,8	106,2
Nepal	Turnover	14,5	19,6	Ghana	Turnover	49,1	38,6
	Export	11,8	15,8		Export	1,3	0,2
	Import	2,7	3,8		Import	47,8	38,4

Countries		January—September		Countries		January—September	
		1984	1985			1984	1985
Guinea	Turnover	59,8	71,3	AMERICAS:			
	Export	21,5	33,0	Argentina	Turnover	1003,0	1158,4
	Import	38,3	38,3		Export	20,0	44,0
Egypt	Turnover	353,0	417,1		Import	983,0	1114,4
	Export	171,1	190,5	Bolivia	Turnover	2,9	0,9
	Import	181,9	226,6		Export	0,8	0,2
Cameroun	Turnover	12,6	33,9		Import	2,1	0,7
	Export	4,2	5,5	Brazil	Turnover	488,4	347,9
	Import	8,4	28,4		Export	92,9	48,2
People's Republic of the Congo	Turnover	4,4	6,3		Import	395,5	299,7
	Export	3,3	3,8	Canada	Turnover	986,2	478,1
	Import	1,1	2,5		Export	15,3	12,5
Libya	Turnover	860,6	739,1		Import	970,9	465,6
	Export	102,9	74,5	Colombia	Turnover	33,7	22,8
	Import	757,7	664,6		Export	3,6	3,0
Morocco	Turnover	127,0	124,5		Import	30,1	19,8
	Export	87,0	65,9	Cuba	Turnover	5737,4	6762,9
	Import	40,0	58,6		Export	2784,6	2875,6
Mozambique	Turnover	115,3	63,7		Import	2952,8	3887,3
	Export	114,2	62,8	Mexico	Turnover	15,4	14,7
	Import	1,1	0,9		Export	1,2	4,1
Nigeria	Turnover	168,8	152,3		Import	14,2	10,6
	Export	126,3	111,5	Nicaragua	Turnover	98,8	152,1
	Import	42,5	40,8		Export	98,4	151,9
Sudan	Turnover	14,7	6,7		Import	0,4	0,2
	Export	0,1	2,5	Panama	Turnover	7,8	8,5
	Import	14,6	4,2		Export	7,7	8,5
Sierra Leone	Turnover	3,1	11,2		Import	0,1	-
	Export	1,4	0,5	Peru	Turnover	25,7	88,4
	Import	1,7	10,7		Export	11,2	6,7
Tanzania	Turnover	6,1	3,9		Import	14,5	81,7
	Export	2,6	2,0	United States of America	Turnover	1944,1	2154,9
	Import	3,5	1,9		Export	210,2	228,0
Tunisia	Turnover	28,8	15,0		Import	1733,9	1926,9
	Export	25,9	6,0	Uruguay	Turnover	52,1	87,7
	Import	2,9	9,0		Export	11,4	33,1
Ethiopia	Turnover	157,9	237,4		Import	40,7	54,6
	Export	141,1	207,0	AUSTRALIA AND OCEANIA:			
	Import	16,8	30,4	Australia	Turnover	377,0	458,0
					Export	12,3	12,0
					Import	364,7	446,0
				New Zealand	Turnover	44,3	64,0
					Export	6,4	3,3
					Import	37,9	60,7

COPYRIGHT: "Vneshnyaya Torgovlya" 1985 English translation, "Foreign Trade", 1985

/12851

CSO: 1807/178

UNITED STATES AND CANADA

U.S. CONTINUES IN 'DANGEROUS DIRECTION' EVEN AFTER SUMMIT

Baku MOLODEZH AZERBAJDZHANA in Russian 12 Dec 85 p 3

[Article by Dzh. Efendiyev, candidate in philosophical sciences, section chief of the Scientific Information Center, Azerbaijan SSR Academy of Sciences: "Is America's Gloomy Past Retained in its Future?"]

[Text] The recent high level Soviet-American meeting in Geneva between CPSU Central Committee Secretary General M. S. Gorbachev and U.S. President R. Reagan was, as we know, a major political event in current international life.

The meticulous journalists kept time on everything, including the duration of the first handshake between the heads of the two great states. For example, according to the evaluation of an American journalist, it lasted 39 seconds, and he was the first to transmit this information shown by the newest chronometer across the ocean. Journalists also computed the fact that out of 14 hours 47 minutes, M. S. Gorbachev and R. Reagan met face to face for 5 hours 51 minutes...

When, upon returning home, Reagan was asked: "And how were your advisors there?", the president joked in response: "I practically never saw them. I spent all my time with Mr. Gorbachev."

The extensive and important information which R. Reagan heard from the Soviet leader during these hours was in great part new and sometimes unexpected for the President. The main thing is that--it was the truth. And it is specifically this which he does not always get from his apparatus and from those closely surrounding him.

And here is one other detail: the vital agreement regarding the "blackout" was strictly maintained. This meant that there were not even any of the information "leaks" which Americans are used to. Even R. Reagan's official biographer experienced difficulties due to the blackout. He never left the President's side, and his job is to compile an extensive life's description, as they say "in the style of the caesars" at a cost of \$2 million from the public coffers.

But...let us return to the political realities.

Despite all of the USSR's aspirations for easing of tensions and a return to the spirit of trust between the two great powers, this time no solution could be found to the primary problem of the current epoch--the cessation of the insane arms race, and its particularly dangerous twist--the militarization of space, which is fraught with nuclear catastrophe for all mankind. Possibly, the position of the American president was influenced by the military-political inertia of the post-war history of the USA, the gloomy burden which has always been associated with the spirit of confrontation and the desire to surpass the entire world at any cost in matters of military supremacy, and from this position to dictate its imperialist conditions to all mankind. We must not think that such an ambitious-aggressive foreign policy course followed by the USA proceeds smoothly and without any problems from the standpoint of the domestic policy situation in the USA and in the NATO countries. The questions, protest demonstrations, meetings, etc., in a word the will of millions of simple Americans and Europeans unambiguously and repeatedly testify to the rejection of the militaristic course of the Reagan administration. But... nevertheless, the wheels of the American state and political machine continue to turn in a direction which is dangerous to mankind. This process, naturally, leads to a stiffening of the domestic policy position of the USA, to a loss of the real content of past American political and social institutions, and to a breakdown in the sphere of civil rights and freedoms, up to a direct disruption of the constitutional standards and laws. And from here it is but one step to intra-state terror and obscurantism. Such is the objective dialectics of the development of a bourgeois state, and the USA is in no condition to avoid this dialectic...

Over 40 years ago, the well-known American writer John Steinbeck, author of the novel "Grapes of Wrath" which brought him world-wide acclaim, was listed by the authorities in the category of "unreliables". On this basis, he was kept from enlisting as a volunteer in the American army. This is recounted in the materials from the archives of the U.S. armed forces, to which the California newspaper MERCURY NEWS recently gained access. At that time, writes the newspaper, many people guessed as to the reason why the War Department refused Steinbeck the right to bear arms against fascism. Some believed that the author's age played a role in this matter. He was 41 at the time. But in reality, the fate of the world renowned writer was determined not by his age, but by Lieutenant-Colonel B. Pesh, chief of the counterintelligence section. In a report submitted for examination of his superiors, the lieutenant-colonel wrote: "In light of the fact that there are serious doubts regarding the loyalty of John Steinbeck, I consider it impossible to grant his request." Pesh came to this conclusion after a secret investigation conducted by army counterintelligence. It becomes clear from the archive documents that counterintelligence agents dug through the writer's library and "became acquainted" with his personal correspondence. On the basis of all this, counterintelligence felt that John Steinbeck holds "radical" views, is "unreliable", and "close to terrorism." This, as it turns out, is how long this term which is now popular and currently universal in political science has been circulating in American political history and in the lexicon! Nevertheless, under the current Washington administration, the obsession with total "loyalty" has led to the situation whereby the number of strictly official requests by special services for planting listening devices in the homes of Americans has increased by

50 percent. The spirit of McCarthyism flourishes in the offices of the U.S. Information Agency (USIA), where lists of "unreliables" are silently compiled, including lists of politicians. The CIA even checks the "loyalty" of congressmen. "The special agents from Langley play a game with both special congressional commissions on intelligence, reporting to the Senate one significant detail, and to the House of Representatives--another," writes the NEW YORK TIMES. "Then they try to determine which side the information leak is coming from."

For several years, the U.S. Naval Intelligence has been watching the "Livermore action group". In the course of seven demonstrations conducted by this anti-war organization, 2,474 people have been arrested at the indication of the military naval forces. The authorities in the city of Denver, Colorado, reported the journal PROGRESSIVE, charged two former U.S. Air Force specialists, T. Bernard and E. Eskelson, with violating "espionage laws". These two, as we know, convincingly refuted Washington's official version of the "incident" with the South Korean spy plane.

A Los Angeles scientist, G. Richelson, also became the object of persecution. His "offense" against the authorities consisted of his intent to speak at a conference held at the University of California on arms control, where he criticized the latest military preparations by the White House and its actions abroad. The judicial-repressive apparatus of the USA is also not standing idle. Under the Reagan administration, it has expanded unprecedented surveillance of the country's citizens. Recently it received one more new "gift" from the American Pheme. The U.S. Supreme Court passed a resolution according to which henceforth the police and FBI practically do not need any official orders to install special electronic devices for locating persons who are under surveillance.

As usual, the "servants of justice" in the USA tried to justify their decision through references to the "need for fighting crime." However, "criminals" in Washington's interpretation are not so much killers and thieves as those who speak out against the existing order in that country, against the militaristic course of the Reagan administration, and in defense of the civil rights and freedoms of Americans.

In an atmosphere of growth of these authoritarian tendencies, the civil rights of the individual are either being usurped, or their sphere is being curtailed. Under the cover of extraordinary laws on combatting terrorism in the USA, the inviolability of the individual and the home is being grossly disrupted and raids are being made on social progressive organizations. The intervention by the state into the personal and social life of citizens through such ever-present "feelers" as the FBI, CIA and similar secret services in the countries of the West has become a widespread and rather dangerous phenomenon. The FBI, for example, holds practically the entire adult population of the United States "under its thumb". It keeps dossiers on 54 million Americans who "present a potential threat to the security of the country." If we add to this the 78 million fingerprint file cards and various "information banks", we can see the true scope of the repressive apparatus of this police state which so rigidly controls almost all the basic spheres and vital manifestations of the individual.

"The White House is following the course of strengthening the police regime in the country and of legalizing McCarthyist methods of dealing with those who criticize the course of the administration," affirms the editor of the magazine NATION, V. Navaski. With the aid of these methods, Washington is trying to resurrect the "consensus" which fell under the weight of the U.S. military adventures in various parts of the world, ranging from the Near East to the Caribbean region. As in the 50's, the stake is being placed on the resurrection of the "silent generation," which this time is looking upon Washington's nuclear preparations with resignation. This entire kaleidoscope of political, social and moral vices in the activity of the Reagan administration naturally does nothing but harm to the prestige of the USA in the current world. In the past decade, the USA has been losing its prestige not only in the eyes of its own people, but also in the international arena.

The world remembers very well, for example, that it was the Islamic revolution in Iran which held the "diplomats" of the mightiest country in the capitalist world as hostage. The USA only waited for the end of this disgrace, and could do nothing about it. And what about Lebanon? Was it not with the support of Syria that the warring parties forced the withdrawal of American marines from Beirut? The USA did not achieve its hegemonist goals either in Nicaragua or in El Salvador. There too the people, inspired by their desire for freedom and independence, stubbornly withstand the most militaristic imperialism of the 20th century.

Nevertheless, former U.S. representative to the UN J. Kirkpatrick, speaking at the Royal Institute of International Relations in London, announced that "everyone must recognize the moral supremacy of the USA," and that the USA "has the moral right to act as it sees fit."

In connection with this, the British press reacted negatively to J. Kirkpatrick's announcement and did not fail to note that "the trust of Englishmen in U.S. foreign policy has now dropped to its lowest level."

Probably, the changed position of the USA in the world is nowhere more apparent than in the UN. In 1958, when the UN numbered only 82 states, the Eisenhower administration easily organized the majority which it needed, for example, not to allow China into this world society. It is this very same China with which today, 27 years later, President Reagan in all his political hypocrisy and actor's skill, is flirting on an anti-Soviet basis, profusely spouting friendly assurances and global promises in any way he can. Today the UN numbers 159 states, and American resolutions against the freedom and independence of states "pass" with great difficulty and strain in only one out of three cases.

The military-political and economic ties of the USA with Western Europe are also not as rosy and smooth as they are sometimes made out to be overseas.

"Political disorders," trade "wars" and financial conflicts have become commonplace for the interstate relations of the USA and Europe. Political irritation with the United States is growing in Europe. There is a decline of all interest in its institutions and culture, and progressive European social forces and the youth are openly prejudiced against American policy and assurances. On

the whole, the generation of allied leaders who considered a "transatlantic association" to be of primary importance in ensuring the security of Western Europe has been replaced by political forces in these countries who are more skeptically inclined and alert.

Everyone in the USA who is bothered and concerned about the country's reputation undoubtedly must be and indeed is asking the question: How can we speak of a reputation of a power in the eyes of the people and the world if that power directly and sternly contraposes the interests of large families, the unemployed, the aged, the poor, the minorities, and other underprivileged groups of the population to the incessant interests of the military-industrial complex which is pushing the country toward the gigantic cauldron of a worldwide nuclear crematorium?

"I assure you," writes Harvard University Professor J. Galbraith, "that not one administration, starting from 1815 and including even the administrations in power during the Vietnam War, has inflicted such all-encompassing damage upon the country and the people as has the present administration."

These are already not simply the words of desperation. This, in the very least—is a sentence. However, the primary question of current international security has been and remains unresolved. This is the question of the relations between the USSR and the USA.

Will all this gloomy past of America be retained in its future?

12322

CSO: 1807/153

UNITED STATES AND CANADA

ALLEGED OFFICIAL U.S. SPONSORSHIP OF ANTI-SOVIETISM HIT

Moscow IZVESTIYA in Russian 11 Jan 86 p 5

[Article by V. Krotov: "Both to the Right and Backward...The Outrages of Washington's Rambo"]

[Text] Maybe even while the writers of President Reagan's speeches were writing the words about ways of creating better mutual understanding between the USSR and the USA into the text of his New Year's address to the Soviet people, a telephone was ringing in the vestibule of the Soviet embassy in Washington. A stranger's voice said in broken French: "On Monday, 30 December, we intend to do away with your ambassador, and also with all of you at the same time..."

After a short pause, the stranger repeated his threats, this time in clear English, and then hung up. They understood him perfectly well both in French and in English. They also understood the fact that the pretty words of the American administration about the need for strengthening trust between the two countries in no way correspond to the everyday matters, which are far from friendly.

Let us turn to the facts. The atmosphere of vicious anti-Sovietism and suspicion in regard to Soviet diplomatic personnel and Soviet representatives in the United States which is currently being encouraged by official powers in the USA goes far beyond the "ordinary" framework. It was literally just the other day that the "Federation of Young Republicans" in the state of Maryland adopted a "resolution" calling for the pronouncement of Maryland to be a "zone free of Soviet presence." To the angry shouts and catcalls of the Maryland attackers, the Republican meeting adopted the appeal to close places of recreation for Soviet diplomats and pioneer scout camps for children. A brochure was circulated among the meeting participants calling for reprisals against "Soviet spies". Recommendations were also given on how this could best be done: "first smear them with tar, then roll them in feathers, and after all this throw them in Chesapeake Bay."

We may get the incorrect notion that all this is the bravado of political half-wits. But no! It is not only this. The U.S. Assistant Secretary of State R. Ridgeway openly announced the plans of the Republican administration for "further limiting the Soviet presence in the USA." It is a notable

fact that the American special services are ever more frequently working out provocation scenarios with "Russian spies" in the leading role. They are not even loathe to the most unscrupulous measures, as was the case with the shocking provocation played out with the participation of the American citizen Jeffreys. Having planted their agent, the FBI pretended to arrest him, and made it look like it had uncovered "a fact of Soviet espionage."

Long before the meeting of young Republicans, the American newspapers prepared its participants for this anti-Soviet provocation. They published lists of license plates of diplomatic cars which Soviet workers drive. This was done so that the hooligans did not make any mistakes.

And they didn't. Some time ago, when the Soviet ambassador to the United States was at a reception in the White House, a group of hooligans came up to his car, which was parked in an officially guarded parking place. They began to curse the Soviet representatives and shouted anti-Soviet slogans. Such "measures for strengthening trust" are implemented against Soviet citizens in the USA practically all the time. It is enough to say, for example, that in the 30 days of last September alone, 27 anti-Soviet demonstrations were organized and held at the gates of the Soviet embassy in Washington (and it is located only two blocks from the White House)!

In December of 1985 in California, an act of gross tyranny was committed against two diplomatic workers of the USSR General Consulate in San Francisco. In violation of the Soviet-American consular convention, they were subjected to personal search and held for 2 hours under actual arrest at the police station.

Recently, someone's hand trembling with anger painted the word "Rambo" in front of the entrance to the Soviet embassy on 16th Street in Washington, right on the sidewalk. This is the name of a film in which an American superman fights against the "red hordes" and, of course, wins. "Rambo" is not only the name of a movie. It is the symbol of present-day America which, in the minds of the creators of this hit, must always menacingly flex its muscles and at the same time blindly defend itself with a "cosmic shield".

Never before, even in the times of the infamous "witch hunts" of Senator McCarthy, has there been so much low-grade anti-Soviet production on the screens of American movie theatres and television.

An "innovation" in American television advertising have become the reels with an anti-Soviet subject. These, for example, are always being ordered by the owners of the all-American network of snack bars, as well as by the owners of certain bookstores and publishing houses working in cooperation with the United States Information Agency (USIA).

This "circumstance" has not gone unnoticed by American observers. On 22 December 1985, the newspaper WASHINGTON POST wrote: "It seems that the 'cold war' is purposely being heated up, at least if we look at the commercials on American television." The PHILADELPHIA INQUIRER seems to continue and develop this very same topic. The newspaper writes: "The latest anti-Soviet films represent a huge step to the right, and some even backward, to the time of McCarthyism."

So what do we have? On the one hand, there are calls for "strengthening mutual understanding," and on the other—the true attitude of the official powers, who essentially act as initiators of anti-Soviet provocation campaigns. While in the first case, only pretty words and "good wishes" are pronounced, in the second case—specific hostile acts are being committed which, in generally accepted diplomatic language, "contradict all the existing standards of international law."

12322

CSO: 1807/153

UNITED STATES AND CANADA

MICRONESIANS OPPOSE U.S. PLANS TO TURN ISLAND INTO 'VOLCANO'

Moscow PRAVDA in Russian 14 Jan 86 p 5

[Article by Dmitriy Kosyrev: "Freedom American Style"]

[Text] Official Washington circles are close to concluding proceedings which they depict as leading to the announcement of the independence of Micronesia-- a Pacific Ocean island territory which has been under U.S. control since 1947. The Congress has recently ratified an agreement which provides for the status of a "free association" with the USA for the territories into which Micronesia was divided at the will of its transoceanic masters.

There are approximately 2,000 islands with a population of 135,000 people which occupy a territory of 8 million square kilometers in the western part of the Pacific Ocean north of the equator. To the south of Micronesia are other island states, which generally have achieved independent status. However, another fate is being prepared for Micronesia. In the years of American control, the islands have never been allowed to attain economic independence. They do not even have adequate systems of water supply, electricity or roads.

The agreements ratified by Congress strengthen the semi-colonial status of the territories. In return for financial aid to the indicated islands, Washington receives the responsibility for the foreign policy and defense of Micronesia, and at the same time also the right "to deny access or use" of its territory "to any third country." The population of the islands cannot unilaterally reject these obligations which have been forced upon it.

Thus, the USA is strengthening its control over a territory which has an important military significance. We must remember that it was from one of these islands in what is now Micronesia that the atomic strike on Japan was made in 1945. It was there that American atomic and hydrogen weapons were tested in the 40's and 50's (Bikini and Eniwetok atolls). It is on the Marshall Islands (Kwajalein) that there is a proving ground for testing strategic missiles. Micronesia is literally flooded with military storehouses, proving grounds and bases. Its importance for the USA is especially increasing now, when a number of states in the South Pacific have proclaimed their region to be a non-nuclear zone, when the ANZUS block is paralyzed due to the anti-nuclear policy of New Zealand, and when the Philippines are presenting demands for removal of American bases. The securement of Micronesia in its role as

military appendage of the USA is a sort of revenge by the Pentagon--its answer to the growth of anti-military and anti-nuclear sentiments in the entire Pacific Ocean basin.

We must especially note the following: the American "rulers" of Micronesia are doing their deeds against the will of the population of this territory. The islanders do not want to live "on a volcano" of Pentagon military preparations. As all the peoples of the world, they strive toward a peaceful future which is not marred by the raging of Washington's nuclear and other military hysteria.

12322

CSO: 1807/153

UNITED STATES AND CANADA

U.S. HOLDS 'DEATH GRIP' ON MICRONESIA

Moscow KRASNAYA ZVEZDA in Russian 14 Jan 86 p 3

[Article by Professor K. Malakhovskiy: "Death Grip of the 'Guardians': International Notes"]

[Text] Recently the American Congress approved an agreement on uniting the Federated States of Micronesia and the Marshall Islands with the United States. Also signed was a compact of "free association" with Palau.

Thus, Washington has taken new steps toward annexing the strategic Trust Territories in the Pacific Ocean Islands (Micronesia). This is the last UN Trust Territory. In 1947, the United States was given a mandate by the UN as a guardian over 2,000 islands scattered in the Pacific Ocean over an area 3 million square miles. Washington promised to assist in the development of Micronesia with the purpose of bringing them independence. However, now it is absolutely clear: the United States in a most impertinent manner has made malicious use of its rights. Washington is leading and has led not toward independence but annexation. Specifically for this purpose, in violation of UN regulations and agreements on guardianship, the United States took a course which divided the Micronesian Islands in order to divide and conquer. At first in 1975 the American authorities got the signature on an agreement with the Mariana Islands according to which the archipelago, like Puerto Rico, would become an "independent state connected with the United States" According to this agreement, the United States obtained the right not only to keep the military bases already existing there but to build new ones.

By the beginning of the 1980s the United States managed to create three more "states" in the form of: the Marshall Islands, Palau (the western part of the Caroline Islands) and the Federated States of Micronesia including the remaining islands from the Caroline group. Their status was determined as a "free association" with the United States which meant the same thing as in the case of the Mariana Islands: maintaining military and economic control over these parts of Micronesia after the formal end of the guardianship regime.

But Washington did not manage to fully achieve all of its goals. On the islands of Palau the indigenous population decisively opposed the constitution thrust upon them. The islanders insisted on including some articles that would guarantee their right to their land, would not permit it to be seized by

the Americans, and would forbid the use of the archipelago for storing and testing nuclear weapons.

There have been many referenda on the constitution text in Palau including these articles. And each time scores of voters vote for it. The American "guardians" refuse to recognize the will of the people and demand a re-election. But the results do not change: The people of Palau maintain their position. The American authorities reject the constitution which has been approved many times by an overwhelming majority of the population stating that it "does not coincide" with the treaty of "free association" proposed to the United States by the Micronesian government. Using coarse pressure and blackmail the United States finally achieved a rubber stamp of the individual compacts of "free association." It is right to question: For what purpose does Washington so brazenly ignore the international rights and will of the local population? The precise answer was given in the journal PACIFIC ISLANDS MONTHLY, which wrote: "Free association or not, independence or not, there is no doubt that Washington is trying to make sure that the United States maintains its strategic rights in Micronesia."

American military strategists have been and are drawn to the important strategic position of these islands which, in the words of United States Deputy Secretary of Defense, R. Armitage, "are located in an extremely good place," their giant arc makes it possible to hold under military control a significant part of the Asian continent. Widely separated islands give the Pentagon an ideal location for testing nuclear missile weapons. Many atolls--Bikini, Eniwetok, Rongelap and several others-- were converted into target areas for testing American nuclear weapons.

A huge missile testing range was built on the atoll of Kwajalein where the MX intercontinental ballistic missiles, as well as "Star Wars" weapons are now being tested. Also deployed here are space target tracking stations.

In addition to this, naval bases capable of servicing nuclear missile-carrying submarines of the "Ohio" type were built on the islands of Palau. On the islands of Saipan and Tinian, the ports and military airfields have been significantly enlarged. Nuclear and chemical weapon warehouses have been built on the atoll Babelthuap.

It should be noted that in the agreements with Micronesia, Washington avoided noting their strategic interests, covering them with high sounding terms such as "mutual security." Thus, the compact of "free association" of the Federated States of Micronesia with the United States is called "The Treaty Between the Government of the United States and the Government of the Federated States of Micronesia on Friendship, Cooperation and Mutual Security." Of course, this can fool no one.

The actions of the United States in Micronesia are in complete violation of UN Charter, which gives the UN Security Council exclusive authority to make any change in the status of Micronesia as a strategic Trust Territory.

In these conditions, as the Soviet Union has repeatedly emphasized, the UN, under whose leadership the international system of guardianship was created,

must without delay take all steps to provide for the accomplishment by the United States of all their responsibilities flowing from UN regulations and agreements of guardianship and must not allow the realization of attempts by the United States to present the world with the fait accompli of the final enslavement of Micronesia.

12747

CSO: 1807/157

UNITED STATES AND CANADA

U.S. 'EXPANDING MILITARY PRESENCE' IN MICRONESIA HIT

Pressure on Palau

LD211443 Moscow Domestic Service in Russian 1030 GMT 21 Jan 86

[Aleksandr Fedonin report from Jakarta]

[Text] The United States increases its military presence in the Pacific basin.

The Asian press, analyzing the recently-signed agreement between the Republic of Palau and the United States, arrives at such a conclusion. For a number of years, the United States had been trying various methods to get to use the territory of this island state for military purposes. The agreement imposed on the Republic of Palau by the United States envisages construction of American naval and air bases on the Palau Island in exchange for financial aid. The United States, according to this agreement, pledges not to carry out nuclear tests, not to use or store nuclear weapons there. At the same time it has the right not to inform the local administration about the presence of nuclear weapons on board American naval vessels and military planes. In other words, it is a total master of the largest of the 200 islands which form the Republic of Palau.

American official circles prefer not to talk about this agreement as its military trend is already quite obvious. The issue, according to the local press, is the broadening of the network of American military bases on Pacific islands, among them the Guam and Northern Mariana islands are mentioned. The agreement with Palau, as it is reported, is a preliminary one. Its most important provisions are to be included in the so-called agreement on free association of Palau with the United States. A referendum on this issue is to be held at the end of February. Inhabitants of Palau have already rejected Washington's demands three times since its striving for unlimited use of the territory of the island state for military purposes is in variance with the anti-nuclear provisions of the constitution of this republic.

Plebiscite to be Held

[Editorial Report] Moscov PRAVDA in Russian 31 January 1986 first edition carries on page 5 under the general heading "Harness for Palau" a 50-word editorial note on Palau's status, a 200-word own correspondent L. Kuznetsov

14 March 1986

Manila dispatch, and a 150-word own correspondent O. Skalkin Sydney dispatch. The Manila dispatch reads as follows:

"Manila, 30 January--The United States is constantly expanding its military 'presence' in Micronesia and on the island of Guam. It has now reached Palau. A document has been signed allowing the United States to 'take over' [osvoit] 16 hectares for a naval base in Malakal Bay (it has long been sought by the commanders of trident nuclear missile submarines) and 26.5 hectares for an air base. True, the 'high contracting party' in the shape of the United States promises not to turn the territory of the island republic into a test range for testing or stockpiling nuclear weapons. But, the press notes, there are no guarantees that Washington will keep its word. The agreement also gives the Americans the right to use Palau's territory as a base for ships and aircraft carrying nuclear weapons. And Washington is not obliged to inform the republic's authorities what weapons--conventional or nuclear--a ship or aircraft will bring into Palau.

"It is worth noting that Washington is trying to keep its talks with Palau secret. Correspondents have only managed to determine the main points of the document.

"And yet the population of this small island territory will have the last word. A plebiscite will be held in which they will give their verdict on the agreement."

The Sydney dispatch reads as follows:

"Sydney, 30 January--the history of U.S. trusteeship over Micronesia teems with examples of abuses aimed at predatory goals. Like other parts of the trust territory, the republic of Palau has fallen victim to imperialist arbitrariness.

"Nobody should be misled by official Washington's assertions that the Pentagon intends the 'strategic complex' in Palau purely as a reserve in the extreme case of the Americans having to evacuate their military bases in the Philippines.

"The U.S. deal with Palau, the SYDNEY MORNING HERALD wrote the other day, can be dismantled by the country's electorate. At the next--probably the fifth--referendum at the end of February, they will express their opinion on the question of allowing U.S. ships and aircraft with nuclear weapons aboard into the country. And although the Americans and their local agents are sparing neither money nor effort to get the result they need, the population's dissatisfaction with a deal that drags the islands into U.S. militarist strategy in the Pacific is well known."

Source of 'Growing Concern'

LD042340 Moscow TASS in English 2303 GMT 4 Feb 86

[Text] New York, 5 February TASS--A special session of the Trusteeship Council has opened at the U.N. Headquarters. It was convened at the request

of the USA to discuss the issue of sending an assize mission to Palau to observe the holding of the plebiscite on the agreement on the so-called "free association" of that trust territory with the USA. Thus, the U.S. is trying to give a semblance of "legality" to its unlawful actions against Palau, which are in conflict with the U.N. Charter, to use the certificate of "observation missions of the trusteeship Council" as a cover for the colonialist seizure of separate parts of Micronesia.

The wish of the USA to turn Micronesia into its military-strategic springboard is a source of growing concern for the international community. Another source of concern is the intention to make the population of Palau renounce the ban confirmed in its constitution on the introduction, transit, storage and deployment in its territory of nuclear, chemical and other types of mass destruction weapons.

/12913

CSO: 1807/160

WESTERN EUROPE

ECONOMIC SITUATION, ANTI-NUCLEAR MOVEMENT IN ICELAND VIEWED

Moscow ZA RUBEZHOM in Russian No 51, Dec 85 pp 12-13

[Article by Nikolay Ivanov: "Hard Times For The 'Hermit Of The Atlantic'"]

[Excerpt] For centuries Icelanders have been nourished by the sea. Its generous gifts are the basis of the economy of Iceland (population -- 240,000, territory -- 103,000 square kilometers), a state located on a volcanic island in the North Atlantic. However, there are less and less fish, and the country is currently undergoing a difficult period of adaptation to new conditions. Internal problems and remoteness from the rest of the world hinder Icelanders from actively participating in international affairs, and particularly from fighting along with all the peoples of Europe and other continents to lift the threat of nuclear war from humanity.

Stefan Asgrimsson and Siv Knudsen live on the outskirts of Reykjavik in a small house which they purchased three years ago. Each time he returns home from work he looks at the house as if for the very first time. Only an Icelander can understand the way he feels. To have one's own house, even such a simple one as Asgrimsson's, is every islander's greatest dream. Many people save all their lives in order to be able to move into a small concrete house with a tiny patch of green in front when they are old. Movie director Thorsteinn Jansson told me that he made his first film by putting his house up as collateral. In such cases the bank makes unconditional loans. A house will always recoup any losses on a loan. For if a two-room apartment costs half a million kronur, then the price of a house can be in the tens of millions.

Stefan and his wife acquired their small house by putting all their savings into the purchase of it. Today it is already becoming too small for their family of four, but they have paid off only a small part of their loan. Each month 11,000 kronur (100 krona = 1.87 rubles) of the family budget goes toward paying of the loan. Another 15,000 of the 32,000 kronur which make up their combined earnings are spend to food. What do they have left?! They still have to pay taxes and the electricity, telephone and television bills. And

they are not the poorest people in the city; Asgrimsson is a teacher and his wife a nurse.

Like a true Icelfander, Stefan is hardworking and diligent. His workday begins at 7 am, and ends late in the evening. Officially, Icelfanders have a 40-hour workweek, although on the average they work 52 hours per week. Many are holding down two or even three jobs at once.

Contrary to statements in the bourgeois press, Asgrimsson, as an average Icelfander, has not become less thrifty in recent years. Everything which this teacher has acquired, and that is just the bare essentials, has been paid for with hard work. Without even being aware of it, he and many of his fellow countrymen have become victims of the "cod crisis." He has to pay for the mistakes of politicians and the millions earned by those who prospered during the period of a relatively booming economy.

By the beginning of the 1980's the boom had turned into a recession. Two years ago the coalition cabinet of G. Toroddsen (Independence Party, People's Alliance and the Progressive Party) was forced to hand over the reins of government ahead of schedule. As a result of elections in 1983, the government of S. Hermannsson, formed from members of the Progressive Party and the Independence Party, came to power, receiving a majority in the Althing. By that time the country's foreign debt amounted to 62 percent of its gross national product, and the inflation rate was 159 percent. On the whole, inflation for the beginning of the 1980's was 460 percent! But nevertheless, the head of the bourgeois cabinet was full of optimism. The Swedish newspaper SVENSKA DAGBLADET later wrote that S. Hermannsson had succeeded in creating, along with business leaders, a "hard front." He went on the offensive, trying to force Icelfanders to tighten their belts. The Scandinavian press did not try to hide its delight at the decisive actions of the bourgeois coalition, and the Icelandic prime minister was presented as a model for his northern colleagues. He was indeed successful in slowing inflation somewhat, but at the same time the population's real income declined by one-third.

Last fall the government presented the Althing with a proposal to approve its decision to freeze wages and repeal the "inflation coefficient," which partly compensated for the gap between Icelfanders' income and price increases. In response, trade unions demanded a wage increase of 30 percent and threatened to strike. "A strike would be very dangerous for Iceland," replied the prime minister, "but inflation is mortally dangerous." The government and the businessmen's alliance took a hard line from the very beginning, flatly refusing to negotiate on wage increases. However, after one and a half years in power the bourgeois cabinet was confronted with an unprecedentedly large movement of workers which threatened, in the opinion of the editor of the largest newspaper in Iceland, MORGUNBLADID, to acquire a political nature.

A general strike engulfed the island. It was begun by office workers in the capital, instructors at higher educational institutions, and teachers. One morning Icelfanders did not find their newspapers in the mailbox, the radio was silent, and television broadcasts ceased. A total of 17,000 office workers did not come to work. They were supported by seamen, fishermen and transportation workers. The government and the businessmen were forced to

renounce their plans and made concessions. The object lesson in "turning the screws," wrote SVENSKA DAGBLADET, had ended in failure.

The Icelandic economy has not moved forward, it is still standing at the crossroads: which path should it take? The question is not an easy one: to go out on trawlers in search of schools of cod, or to finally turn attention to the island itself? The sea has fed Icelanders for centuries, will their land be able to feed them?

In Reykjavik I had the opportunity to hear the prime minister's ideas on this subject. Responding to my question concerning the prospects for Iceland's economic development, S. Hermannsson did not conceal the fact that, after winning in the "cod war," they had overestimated their opportunities and shown excessive optimism. Now they have to pay for that. For three years now the per capital gross national product has declined by an average of 10 percent.

"We are searching for ways to close the breaches which have appeared in our budget," said the prime minister. "Fur farming and artificial breeding of industrially useful fish can become profitable sectors of the economy. We must not forget that our country possesses gigantic resources of geothermal water. Thus far we have utilized only two percent of this "earth heat."

The head of the Icelandic government noted that the development of trade and economic contacts with the Soviet Union, one of the main buyers of Icelandic fish products, is of great significance to the republic. In exchange, our country supplies Iceland with petroleum products, wood, building materials and machinery. Soviet specialists assisted with installation of the Sigalda Hydroelectric Power Station.

The government has introduced for discussion by Althing delegates a new economic program covering a three-year period. Attempts have been made to revise the previous optimistic projections. In particular, foreign debts, which now consume 53 percent of the gross national product, will not decrease, according to these projections, but will even increase next year, then in 1987 will begin to decline and by 1988 will be "only" 49 percent of the GNP. An annual increase in exports of five percent is planned, and not in the fishing industry alone. In its new plan the government is no longer pinning all its hopes on the sea, but rather is attempting to tap new resources. However, the bourgeois coalition has not given up on its policy of belt-tightening. At a conference held in the fall, leaders of the Independence Party confirmed that reduction of expenditures for social needs is one of the preconditions for keeping the country's economy in relative balance. But the director of the National Bank of Iceland warned that there is hardly any way to avoid a new devaluation of the krona. And so, things have come full circle. Because the first thing which the conservatives announced when they came to power was that they would not follow a policy of devaluation.

Over the past ten centuries, Icelanders have traversed and re-traversed the Atlantic from one end to the other, learning by heart all its reefs and shoals. Now the time has come to master their own country. And it is not such a poor country, if one looks at it from a 20th century perspective.

Anti-Nuclear Resolution By the Althing

One morning, opening the newspaper THJODVILJINN, I learned of a success by director Thorsteinn Jansson. All 13 movie theaters in Reykjavik had shown his film "The Nuclear Station." I had met with Jansson several months before the movie's premiere. He told what a difficult time he had had. From the very beginning the conservative press predicted that the young director's attempts to resurrect the event of Iceland's postwar history on screen would not fare well with the viewers. The heroes of Halldor Laksness' famous "The Nuclear Station," who had attempted to expel the American military from their country, had faded into the past, as had the problem of the presence of U.S. troops on the island. But, nevertheless, Thorsteinn made the movie. It was seen by 60,000 Icelanders, one-fourth of the country's population.

Contrary to statements in the bourgeois press and assurances by rightwing politicians, Icelanders did not acquiesce to the American military presence. And today, just like in 1951, when Iceland signed a so-called "defense agreement" with the United States, the American base at Keflavik has remained a sore point in the domestic politics of the country. As before, Icelanders oppose those who would turn their country into an unsinkable U.S. aircraft carrier. The Pentagon has been forced to include in its instructions for its representatives in Iceland the following: "Our primary task is to ensure Icelanders' support for the presence of American troops on the island. The local population must share the policy of the United States on questions of nuclear weapons."

The newspaper THJODVILJINN, which published this secret directive, intended for employees of the American information center in Reykjavik, emphasized that Washington has not abandoned its attempts to effect a change in the sentiments of the people of the island. However, according to opinion polls, 80 percent of all Icelanders who have the right to vote do not approve of military cooperation with NATO. And 86 percent support the idea of a nuclear-free North. This was set forth in a recent decision by the Althing. All parties represented in parliament voted for a resolution banning deployment of nuclear weapons on the island. The minister of foreign affairs publicly declared that the government has banned the entry of warships with nuclear weapons on board into port, as well as operations in Iceland's airspace by planes carrying nuclear weapons. At the same time, Prime Minister S. Hermannsson expressed willingness to participate in discussion of the establishment of a nuclear-free zone in the North.

One should note that Reykjavik originally kept out of this discussion precisely on account of the presence in Iceland of a U.S. military base. All attempts by Icelanders to find out whether nuclear weapons are kept at Keflavik met with an ambiguous answer from Washington: maybe yes, and maybe no. The newspaper THJODVILJINN wrote in this connection that the country's population has never been free of the fear that Iceland might not be a part of the proposed northern nuclear-free zone, and that then the Pentagon would establish new nuclear arsenals on the island. These theses were confirmed sooner than anyone had imagined.

At the end of last year, Prime Minister S. Hermannsson learned of a secret Pentagon plan to store 48 nuclear depth charges near Keflavik. The information leaked to the press. Icelanders' outrage was so great that G. Hatligrimsson, then minister of foreign affairs, publicly accused Washington of "flagrant violation of the promises which it has made." All parliamentary parties demanded legislation which would forbid deployment of nuclear weapons in the country either in peacetime or in wartime.

Meanwhile, Scandinavian observers were already pointing out at that time that this was not the first attempt by the United States to expand its military presence beyond the bounds of Keflavik, turning Iceland into its nuclear hostage.

AWACS Over Keflavik

The U.S. military base located 40 kilometers from Reykjavik is considered to be the largest in Western Europe. Approximately 3,000 military personnel are based there. It is the base for squadrons of F-4 and P-3 Orion bombers. Boeing jets equipped with AWACS equipment make their spy flights from this base. Two radar stations are in operation, on the eastern coast and on Cape Reykjanesta. The American command at Keflavik does not conceal the fact that there are plans to modernize significantly the military base's arsenals, expand the system of radar stations and airfields and build new hangars and fuel dumps.

S. Hermannsson's government does not categorically deny the Pentagon's importunity. It is obviously yielding to pressure from generals who hope to bind Iceland more closely to NATO's nuclear strategy. Last spring, for the first time since the country joined NATO, representatives from Reykjavik officially took part in a conference of the NATO military committee in Brussels. Observers point out that recently Iceland has begun to play an ever larger part in the scenario which members of the Atlantic bloc have worked out.

"Expansion of armaments in the North Atlantic are of an offensive nature, and the base at Keflavik serves as an important link in this U.S. strategy," says O. Grimsson, leader of the People's Alliance's parliamentary faction.

S. Gestsson, chairman of this party, notes that things have gone beyond that now, to ever deeper entanglement of Iceland in the NATO's military nets. Many people with whom I had the opportunity to talk did not conceal their alarm at attempts by NATO to turn their country into a nuclear arsenal. Time has not erased the contradictions and has not accustomed Icelanders to their uninvited guests. Just like 30 years ago, each summer columns of demonstrators march to the gates of the American base. They demand that the Pentagon withdraw its soldiers and free Iceland from this dangerous military tutelage.

Keflavik where, incidentally, the capital's airport is located. Before we taxied for takeoff, our airliner waited for a long time to let a heavy Boeing jet with a sinister radar dish on top pass. One more AWACS plane taking off.

I really did not want to leave Iceland very much, Iceland which is difficult to understand and easy to fall in love with. On the previous evening I had one last chance to say goodbye to Reykjavik at the place where I saw it for the first time: at the entrance to the port, where Ingolfr Arnarson, the first settler on the island of geysers, stands on a pedestal, leaning on a spear.

12825

1807/140

WESTERN EUROPE

PRAVDA VIEW ANDALUSIAN COMMUNISTS' ACTIVITY

[Editorial Report] Moscow PRAVDA in Russian 13 January 1986 first edition carries on page 6 a 2,200-word Madrid-Moscow dispatch entitled "Andalusia--A Land of Landless People" by special correspondents N. Prozhogin and V. Chernyshev. The article describes social and economic conditions in Andalusia, stressing the problems of unemployment and the concentration of land in the hands of a small number of private landowners. The article describes the movement for agrarian reform which is under way in Andalusia at present and sets out the role of the region's communists in this movement, and in the general move to "restore hope" to the impoverished region. The article notes that the region's socioeconomic problems were discussed at the recent Andalusian Communist Congress in Seville, which was a "regular stage of the nationwide organizational process which began in January 1984 when the Communist Party (Spain) was set up at the constituent congress in Madrid, rejecting the slogans of so-called 'Eurocommunism' and proclaiming that it will stand on the principles of Marxism-Leninism and proletarian internationalism. Immediately afterward the new party's local organizations emerged in all eight Andalusian provinces, as in other regions. Now the Seville congress has formalized the creation of the Communist Party of the Andalusian People, which is a constituent part of the Communist Party (Spain).

"The article cites Manuel Monereo, newly elected secretary general of the Andalusian party, who notes: "'We consider our paramount task to be to unite all Spanish communists in a single strong party, capable of becoming the true vanguard of the workers movement in the country. Yes, the main matter for us now is the unity of Spain's communists on the basis of scientific communism and Marxism-Leninism. It is on this basis that we are and will continue struggling for the working people's interests and for the country's true national interests--for radical socioeconomic transformations and, of course, for Spain's nonparticipation in NATO.'

"Addressing the rally which ended the Andalusian Communists' congress, Ignacio Gallego, secretary general of the Communist Party (Spain), stated: "' The bankers and landowners should not rejoice or rub their hands with glee that Spain's Communists are split. The unity of the working class and leftwing forces will be achieved. It is essential if a strong communist party is to be built to defend the interests of the working class and the people's masses of Spain each day and everywhere--in the streets, at the plants, and in the villages..."

EASTERN EUROPE

GDR: ECONOMIC DEVELOPMENT PRAISED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 7, Jul 85 pp 23-26

[Article by Professor Dr Hans Luft, Institute of Political Economics of Socialism of the Academy of Social Sciences under the Central Committee of the SED: "The GDR: On the Path of Socioeconomic Achievements"]

[Text] During the second half of the 1980's the SED policy was directed toward solving two strategic problems simultaneously:

Ensuring peace in order to prevent mankind from falling into an atomic catastrophe;

Further constructing a developed socialist society in the GDR, whose main task was determined in the party program to be systematically raising the material and technical level of the life of the people on the basis of high rates of development of socialist production, increased effectiveness, scientific and technical progress and increased labor productivity.

The two tasks are inseparable from one another. Only under peaceful conditions is it possible to carry out the main task in the unity of the economic and social policy.

Intensively Expanded Reproduction Under the Conditions of Deeper International Division of Labor

The 8th and subsequent congresses of the SED were oriented toward intensification of public production as the main path for the economic development of the GDR. In 1981-1984 the program for comprehensive intensification was successfully fulfilled. As a result, they managed not only to annually reduce the proportional expenditure of the energy bearers and raw and processed materials which are important to the national economy by an average of 6 percent, but also to transform the savings into a source of economic development. The annual increase in the produced national income amounted to an average of 4.4 percent. In 1984 it reached 5.5 percent--the highest indicator of annual growth during the entire history of the GDR. The production of commercial output from industrial ministries annually increased by an average of 4.2 percent, and labor productivity on the basis of net

output--6.5 percent. In agriculture the productivity of grain crops in 1984 amounted to 45 quintals per hectare, which is 5 quintals per hectare more than the average for the preceding years. Since the harvest of potatoes and sugar beets increased it was possible to increase the production of animal husbandry products for the population and for exports while reducing the imports of grain.

As a result of socialist streamlining, hundreds of thousands of workers were released and employed in new jobs in the production of consumer goods, and also in shift work in order to improve the loading of equipment. The enterprises are also utilizing the released labor force, expanding the scientific and technical base and creating means of streamlining through their own forces.

There has been a considerable increase in the production of domestic kinds of raw material, because of which it has become possible largely to replace fuel oil with ordinary brown coal. In 1983 approximately 12 percent of the demand for industrial raw material was satisfied by bringing into production 29 million tons of secondary materials.

A fundamental prerequisite for more and more effective utilization of internal sources of growth on the basis of comprehensive intensification is the expansion of scientific-technical and economic cooperation with the USSR and other CEMA countries. This pertains to stable exports that are coordinated for the long-term period, and also the supply of raw materials, energy bearers and equipment calculated for the future.

In spite of the increasingly keen competition on the world market, there was a positive trade balance in the amount of 7 billion currency marks. The GDR's economic independence continues to become stronger.

In spite of all the pessimistic predictions from the world of capital, practice has proved the ability of the socialist planned economy to meet the requirements of intensification of public production.

At the 9th Plenum of the SED Central Committee (November 1984) Comrade E. Honecker emphasized that intensively expanding reproduction has today become a determining basis for the growth of our national economy. Thus we have managed to make an about-face which is of principal significance. To proceed even further along the path of comprehensive intensification--this is what determines the content of the new stage of our economic strategy.

On the top of the list here is the utilization of the great possibilities of the scientific and technical revolution for the development of productive forces. In carrying out the current production program we revealed reserves for improving the ratio between expenditures and results. A decisive role in providing for further economic growth under the conditions of reduced expenditures of raw materials, processed materials and energy will be played by the introduction of new technologies on the basis of microelectronics, biotechnology and so forth. Their assimilation more and more persistently demands the joint efforts of the fraternal countries. This is why the party leadership and government of the GDR have taken the necessary measures so as

immediately and on a high qualitative level to begin to implement the decisions of the high-level economic conference of the CEMA countries.

In cooperation with the USSR we long ago passed through the stage of simple coordination of reciprocal deliveries of goods and granting of services. At the present time in the foreground are the development and highly effective implementation of coordinated projects for the national economies of both countries. Two and a half years ago the GDR and the USSR jointly prepared a long-term program for cooperation and science, technology and production for the period up to the year 2000, which Comrade E. Honecker called a historic step toward closer interweaving of the economies of our countries.

Maintenance and Growth of Socioeconomic Achievements

In spite of the deterioration of a number of foreign political and foreign economic conditions caused by the confrontation between the countries of the imperialist states, on the basis of the strengthening of its economic potential the GDR is successfully continuing to carry out the major task of the construction of developed socialism on the basis of the unity of the social and economic policies.

In the foreground here is purposive housing construction as a pivotal point of the sociopolitical program of the SED in order to resolve the housing issue as a social problem up to the year 1990.

In 1971-1981 alone housing conditions were improved for 5 million citizens, that is, almost one-third of all the population of our republic. The planning assignments for the current 5-year period are being successfully overfulfilled. This undoubtedly contributes to the development of initiative and labor enthusiasm, leads to qualitative changes in the living conditions for the people and is of great significance for future generations.

During the past 15 years in the GDR two-thirds of all the apartments in new buildings have been received by families of workers; every fifth apartment here has been assigned to young people; families with many children have been housed in every 10th apartment. The low apartment rent (an average of 3-5 percent of the net monthly family income of workers and employees) and also the rates for electric energy and heating have been kept at a stable low level as a result of subsidies from the state budget.

The unity of the economic and social policy is inseparably linked to the realization of the principle of payment according to the quantity and quality of labor. This provides for personal interest in increasing the growth of production and labor productivity which is necessary under socialism and also interest in the development of individual capabilities in work as a material prerequisite for raising the standard of living.

Therefore a great deal of attention is devoted to increasing the monetary incomes of the workers while consistently observing the socialist principles of payment according to labor. In 1971-1983 wages were increased for more than 6.5 million workers and employees, including a several-fold increase for various groups of employed people, so that the average monthly earnings of

workers and employees in the socialist economy in 1983 reached 1,089 marks. As a result of the increase in the production of agricultural products, there was also an increase in the monetary incomes of the peasants who are members of production cooperatives.

In implementing the decisions of the 8th and 9th party congresses, since 1 September 1982 the pensions and stipends have increased fivefold, reflecting the deep respect accorded to labor veterans in a socialist society. While in 1949 the minimum amount of a pension was 55 marks a month, now it has increased to 300-370 marks (with a labor tenure of 45 years and more). In 1983 the average old-age pension for workers and employees amounted to 343 marks a month (in combination with additional pensions--442 marks) as compared to 195 marks in 1970. Workers who are taking advantage of social security can themselves contribute their share to improving their material support in old age, disability or disease through voluntary additional pension insurance.

Finally, since 1 September 1981, the wages for students in vocational and technical schools was increased to 120 to 200 marks a month. All students receive grants, and stipends have been introduced for students in expanded general educational polytechnical and complete secondary schools.

The principle of payment according to the quantity and quality of labor is even more effective when, along with the increase in monetary incomes for the population, there is a corresponding quantity of consumer goods which are in demand and high-quality services.

Therefore in the SED program a stable supply of the population with consumer goods on a continually higher level has been set as one of the primary political tasks. This requires producing considerably more and higher-quality consumer goods on the basis of domestic raw material or that received from the socialist countries.

At the same time consumer goods occupy a stable position in the structure of GDR exports in payment for imports of raw materials.

It was emphasized at the high-level economic conference that the Soviet Union will continue in the future to exert the necessary efforts in order to deliver raw material and energy bearers to the fraternal countries under conditions of counterdeliveries of the products that are necessary to the USSR national economy: foodstuffs and industrial consumer goods, raw materials, construction materials, and also high-quality machines and equipment that are on a par with the world technical level.

The final producer, associate or supplier of machines or equipment for producing consumer goods in all branches of the national economy has a great deal of responsibility for their production, and at each of the 94 combines that manufacture means of production there are possibilities of producing consumer goods. At the combine their manufacture should comprise no less than 5 percent of the overall volume of commercial output.

An invaluable contribution to the satisfaction of the material demands of the population has been made and is being made by socialist agriculture, the more

so since the per capita consumption of high-quality food products, especially of animal origin, has increased sharply. Here the GDR occupies one of the first positions in the world (Table 1).

Public funds--one can gain an idea of their amount from Table 2--are becoming more and more important in increasing the real incomes of the population.

Table 1--Per Capita Consumption of Selected Food Products in the GDR

	1936*	1950	1970	1980	1983
Flour from grain, kg	103.4	120.4	92.2	88.8	91.6
Potatoes, kg	170.8	219.3	153.5	142.7	143.6
Meat, kg	46.8	22.1	66.1	89.5	92.1
Butter	7.0	4.2	14.6	15.2	15.7
Milk, liters	127.0	71.7	98.5	98.7	105.4
Eggs	117.0	63.0	239.0	289.0	301.0
Sugar and sugar products, kg	22.9	20.2	34.4	40.6	39.2
Coffee beans, kg	...	...	2.2	2.8	3.3
Nonalcoholic beverages, liters	...	...	40.8	81.3	91.8
Beer, liters	...	68.5**	95.7	119.1	146.7
Vegetables, kg	...	...	84.8	93.8	90.7
Fruits, kg	...	...	55.5	71.1	76.3

* Territory of former Germany

** 1955

Table 2--State Payments and Benefits From Public Consumption Funds in GDR
(billions of marks)

Designated Purpose	1971	1983	1985 (plan)
Housing (including apartment rent)	2.1	9.3	13.2
Maintaining low retail prices and rates	8.5	21.9	40.0
Education	5.8	10.4	11.6
Culture, sports and recreation	1.1	2.6	2.2
Public health and social security	2.5	3.8*	4.4*
Social insurance	6.2	14.0	15.1
Total	26.3	62.0	86.5

* Including credit benefits for young marrieds

Subsidies for maintaining low apartment rents and stable prices in retail trade for basic necessities, transportation tariffs and so forth comprise a great social achievement for all groups of the population.

Granting social services free of charge in the sphere of education, medical service and so forth is guaranteed to all citizens in the interests of the comprehensive development of the individual, regardless of differences in incomes. Every citizen of the GDR has the opportunity to raise his standard of living through greater labor achievements. At the same time he is

confident that his social security is guaranteed by the society in the event of illness or disability, and also old age.

The average lifespan in the GDR has reached more than 75 years for women and 69 years for men. The GDR is among the countries with the lowest maternal and child fatality rate in the world. Thus in 1982 for every 1,000 births there were 11.4 child deaths (as compared to 48.9 in 1955) and 0.12 deaths of the mothers (as compared to 2.06 in 1950).

Public education has had successes. Immense progress has been made in increasing the skills of the workers.

When supplying production with new machines and equipment we take into account not only their high economic results, but also the criteria of safety and labor hygiene.

Under the conditions of extensive intensification and more efficient utilization of production capital, considerable attention is devoted to improving the working conditions for shift workers who provide for increasing the load on fixed capital.

People employed in three-shift work have a minimum vacation of 21 working days, and since 1977 in addition to this they have three additional days of leave. They are given preference in the distribution of passes for preventive and health resort treatment and to houses of recreation.

Every second skilled worker in the GDR is a woman. She is a concrete embodiment of many social principles of our society. There are considerable benefits for mothers with children of preschool and school age. Every child can go to kindergarten if his parents wish. Care for children in children's institutions and extended-day classes does not cost the parents a pfennig; they pay only for the food.

There are numerous incentives for creating and strengthening families. Thus the leave for pregnancy and birth was increased in 1976 from 18 to 26 weeks; from 90,000 to 95,000 mothers who are working in a specialty annually take advantage of the possibility, when their maternity leave expires, to obtain a paid leave while retaining their job until the first year of the life of the first, second and every subsequent child. Young married couples are given interest-free credit of up to 5,000 marks; when the first child is born, 1,000 marks are subtracted; the second--another 1,500, and the third--2,500 marks; at the same time, the one-time stipend for the birth of a child has been increased to 1,000 marks.

In 1972 a 40-hour work week was introduced for mothers employed full-time who have three or more children under 16 years of age and for mothers with two children who are working on several shifts. Mothers who work on three shifts, and also mothers who work full-time and have two or more children under 16

years of age work 40 hours a week. There are more than a million of these women.

In turn, regular improvement of working conditions for each individual is becoming an effective incentive for large new successes.

The confidence in tomorrow which is possible only under socialism plays a large role in achieving high labor results. In combination with correct implementation of the socialist principle of payment according to the quantity and quality of labor and differentiated ideological work which strengthens the conscious discipline and organization of workers, this is an immense motive force. Its role in the next few years will increase since the effectiveness of the introduction of highly productive technologies which determine to a considerable degree the growth of the economy is directly related to increased social influence on the skills of the workers, on the conditions for their working time and on the organization of their work positions. All this places high requirements on the centralized state management and planning of the national economy as well as demands for mastering the process of reproduction in its dynamics.

The 9th Plenum of the SED Central Committee adopted a decision to base the development of the five-year plan for 1986-1990 on a continuation of the course toward carrying out the major task on the basis of a unity of the economic and social policies. The response to the plenum decisions were the commitments for socialist competition of the labor collectives for 1985, which show that the planning assignments for comprehensive intensification of production are becoming the concern of all the people.

COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1985

11772

CSO: 1825/113

EASTERN EUROPE

USSR-HUNGARY: LONG-TERM COOPERATION PROGRAM

Moscow FOREIGN TRADE in English No 12, Dec 85 pp 12-14

[Article by Alexei Krokhotkin: "Long-Term Programme of Cooperation Between the USSR and Hungary"]

[Text]

The Soviet Union and Hungarian People's Republic dynamically and fruitfully develop their many-sided economic, scientific and technical relations, which answers the vital interests of the Soviet and Hungarian peoples and helps solve problems in both countries' economies.

The scale and dynamics of Soviet-Hungarian cooperation can be seen from the following indicators. According to preliminary estimates, their trade turnover for 1981-1985 will reach, in prices of the corresponding years, 40,000 million rubles, a 70 to 73 per cent increase over the previous five-year plan period. In 1985 the mutual goods deliveries in cost terms will amount to approximately 9,400 million rubles.

Over the last decade versatile industrial, scientific and technical ties, just as with other CMEA member-countries, embrace almost all major social production spheres and are of increasing importance in the two countries' economic relations. A Long-term Programme and 22 sectoral sub-programmes for developing specialization and cooperation in production between the USSR and Hungary for the period ending in 1990 are playing a great role in deepening cooperation in this area. An analysis shows that mutual shipments of specialized and cooperated products, effected on the basis of 34 bilateral and approximately 80 multilateral agreements, were increasing at much higher rates than Soviet-Hungarian trade as a whole. For example, between 1981 and 1985 they more than doubled as compared to the 1976-1980 level, and increased roughly 12-fold as against 1971-1975. Over recent years, thanks to progressive forms of cooperation, first and foremost

specialization and cooperation in production, a basic trade growth has been achieved. In 1984 among the mutually delivered machines and equipment between the USSR and Hungary the share of cooperated products amounted to about 70 per cent.

Soviet-Hungarian successes in developing production ties are great. However, the achieved level, in both countries' opinion, still does not fully correspond to their capabilities or meet their present needs. This is particularly true of component and unit specialization in the mechanical engineering, radio engineering and electronic industries. To cite an example, the share of components and units for machines and equipment in 1984 amounted to 7.5 per cent in Soviet exports and 10.5 per cent in the shipment of specialized engineering products, the corresponding import figures were 10.5 and 17.5 per cent.

The CMEA member-countries Summit Economic Conference gave new directions that would raise all the fraternal countries' as well as Soviet-Hungarian economic, scientific and technical cooperation to new heights.

For this it was decided to supplement the Long-term Programme for Developing Specialization and Cooperation in Production now in force between the Soviet Union and Hungary with new provisions making it necessary to work out a comprehensive programme which would cover all long-term aspects of the cooperation in mechanical engineering, fuels, the power industry, raw materials, transport and other economic sectors.

From understandings reached between the leaders of the USSR and Hungary the sides prepared and signed in April 1985 a Long-term Programme for the Development of Economic, Scientific and Technical Cooperation for the period ending in the year 2000.

Under the Long-term Programme both countries are to deeply coordinate their economic cooperation policies in fields of mutual interest in order to provide both countries' economies with fuel, energy and raw materials, develop their agro-industrial complexes, high priority mechanical engineering sectors, microelectronics, robotics, production of industrial consumer goods and other specific branches. Combined efforts to assure greater effective use of the latest scientific and technological achievements, of the intellectual and material-technical resources in the interests of each country's economy is the main factor for realizing the aims of Soviet-Hungarian cooperation.

Here attention should be paid, first and foremost, to the development and putting into production of new equipment and technology which will sharply raise both countries' labour productivity and product quality in the relevant sectors, save materials and energy, and automate production processes.

In mechanical engineering, the most important base of technical progress and raising efficiency of social production, the cooperation will be directed at more rationally using both countries' existing potentials and applying them to solve complex problems of prior importance for the Soviet and Hungarian economies; at taking measures which will raise the technical level and quality of mutually delivered machines and equipment in line with contemporary scientific and technical requirements; increasing comprehensive mechanization and automation of processes in the manufacturing and non-productive spheres by widely using electronics and computer facilities; designing and putting into production new techniques, machines, equipment, parts and units which correspond to the world technical level that ensure, in the first place, the saving of energy, raw and other materials, a high degree of raw material processing, utilization of production wastes and secondary raw materials; at obtaining an economically substantiated reduction of items imported from the capitalist countries; developing unified stable specialization and cooperation in producing parts and units.

To create favourable conditions for developing specialization and cooperation in production the Sides agreed to further their comprehensive standardization and unification of products that would ensure the compatibility and interchangeability on a high technical level of articles, unified systems, machines, equipment and instruments being made in cooperation with other CMEA countries, to introduce progressive production processes and develop new types of materials, common means and methods for controlling production and product quality.

Both Sides noted that cooperation in supplying the USSR and Hungary's economies with fuel, energy and raw materials was a most important strategic task which can be accomplished by mobilizing each country's own resources and expanding their cooperation.

For this the Soviet Union and Hungary agreed on a set of measures primarily aimed at the economical and rational use of energy carriers, raw materials, wastes and secondary raw materials, at lowering the specific consumption of energy and materials in production on

the basis of structural changes in production and consumption. Simultaneously corresponding steps will be taken to develop cooperation in the production and mutual deliveries of fuel, energy and raw materials.

To create economic conditions ensuring shipments from the Soviet Union of some types of raw materials and energy carriers to meet import requirements in the volumes defined from the coordination of plans and long-term arrangements Hungary will, within the framework of the coordinated economic policy, gradually develop its production and export structure and take the necessary measures in the field of capital investment, reconstruction and rationalization of its industry to supply the Soviet Union with certain products it needs. These include foodstuffs and industrial consumer goods, some types of structural materials, high quality machines and equipment that are up to the world's technical level. Hungary will also participate in building in the Soviet Union capacities in some mining sectors. For example, Hungary will help the USSR develop capacities for mining and enriching ferrous raw materials.

In the power industry the long-term cooperation will be primarily directed at raising the reliability of the united power systems' parallel work, at improving technological processes producing thermal and electrical energy, basically through cooperation in building atomic power stations and later in constructing atomic thermo-electric plants, at developing new progressive and up-to-date equipment, instruments and devices for controlling processes at atomic power stations, at improving the consumption structure of energy carriers, at elaborating economic production processes and qualitative equipment conducive to an all-round reduction in the specific consumption of fuels and energy.

In ferrous and non-ferrous metallurgy the purpose of the cooperation is to improve the technology and structure of metallurgical production, raise the quality and expand the range of manufactured products, increase production of high-quality steel and other materials which will more fully satisfy the requirements of both countries' manufacturing industries. The Sides will widen the exchange of ferrous and non-ferrous metallurgy products through greater production specialization.

In the chemical and petrochemical industries main attention will be paid to deepening cooperation in production and increasing mutual deliveries by extending specialized and cooperative manufacture of pesticides,

mineral fertilizers, olefines and products of their processing, rubber engineering articles, petrochemical products, chemical reagents and especially pure substances, know-how and equipment for manufacturing paints and varnishes, photochemical substances besides other chemical and petrochemical products. The Sides will cooperate in developing and introducing modern production processes and equipment ensuring a deeper and more economical processing of raw and other materials.

In the industrial consumer goods sphere cooperation will be effected by taking measures aimed at improving the raw material base of their production, increasing the output of goods in great demand and fashionable articles, expanding specialization and cooperation in production, as well as mutual shipments of commodities meeting world standards. Special attention will be paid to broader cooperation in making high-class durables, radio-electronic merchandise and instruments, and also their servicing and maintenance using standardized and unified parts and units.

As regards the agro-industrial complex all efforts will be directed at increasing the production of foodstuffs by introducing progressive technologies, developing and improving the material and technical base of agriculture and the food industry and also at obtaining greater mutual foodstuffs deliveries. Exchanges of experience should be broadened to reduce losses during the production, storing, transporting and processing of farm produce and foodstuffs and to assure their comprehensive use without waste as well as on matters improving the organization and management of the agro-industrial complex.

In the field of transport the envisaged measures will improve the utilization and development of the material and technical base of both the Soviet and Hungarian transport systems, increase the carriage of goods in large-tonnage containers, packages and pallets as this will ensure better economy and safer delivery of goods, introduce new handling technologies for freight being transported by different facilities and also automatic systems for controlling the transportation processes.

The Long-term Programme pays great attention to the further expansion of mutual trade and raising responsibility for fulfilling commitments. It has been agreed that trade will grow primarily through mutual deliveries of products with a high degree of processing conducive to scientific and technical progress. Both countries, using their capabilities, will expand cooperation in building and reconstructing projects in the USSR and Hungary and create prerequisites for a broader appearance on third countries' markets, particularly in the export of know-how and complete sets

of equipment.

Both countries, to promote mutual trade, will jointly impose measures that will raise and improve foreign trade activity and increase its effectiveness. Understanding has been reached on upgrading the maintenance of exchanged equipment and better supplying it with spare parts, on improving the transfer of commercial information, on further developing ties in the field of home and border trade, on cooperation between the consumer societies and chambers of commerce. Steps have been agreed on promoting cooperation in tourism.

The Long-term Programme envisages that the development of both countries' bilateral ties will be accomplished on a balanced payment basis.

The Intergovernmental Soviet-Hungarian Commission on Economic, Scientific and Technical Cooperation will exercise control and ascertain the progress made in implementing the Long-term Programme. The Commission has already elaborated measures aimed at fulfilling the Programme ready for adoption at the 24th meeting of the Intergovernmental Commission in December 1985. Ministries and departments in the USSR and Hungary have the tasks of clarifying, in the light of the Long-term Programme's provisions, all acting sectoral sub-programmes for developing economic, scientific and technical cooperation up to the year 2000.

To more successfully implement the provisions of the Long-term Programme the Sides are to brisk up their activities promoting direct ties between Soviet and Hungarian production associations, enterprises and organizations, more widely practise the creation, on a self-supporting basis, of joint enterprises, production and scientific-production firms, joint teams of scientists and specialists, design bureaux and other international economic and research organizations, as well as the commercial exchange of scientific and technical documents, licences and know-how.

The Sides reached agreement that their commitments connected with the implementation of the Long-term Programme would be included into long-term, five-year and annual state plans and the plans of the respective ministries, associations, enterprises and organizations according to the order established in each country.

The Long-term Programme is of great political and economic importance for the Soviet Union and Hungary and its realization will be a vital step forward in developing economic, scientific and technical relations between the two countries.

COPYRIGHT: "Vneshnyaya Torgovlya" 1985 English translation, "Foreign Trade", 1985

/12851
CSO: 1807/178

EASTERN EUROPE

DISCUSSION OF POLISH SHIP EXPORT TO USSR

Moscow FOREIGN TRADE in English No 12, Dec 85 pp 22-23

[Article by Erzy Hinz, Director for Exporting and Importing Ships and Marine Equipment, Centromor Joint-stock Company (Poland): "Export of Polish Ships to the USSR"]

[Text] At present the Polish shipbuilding industry is one of the largest in the world. After World War II the destroyed shipyards and shipbuilding enterprises were rehabilitated and new ones constructed. The Soviet Union rendered Poland great assistance in this sphere of endeavour.

Now ships are an important Polish export item. Ship export in Poland comes second after coal in the amount of currency receipts. Since 1951 ship export has amounted to not less than 50 per cent of Poland's total ship production.

Polish ships are exported to approximately 30 countries. The Soviet Union is Poland's largest purchaser. In September 1985 the USSR and Poland concluded a new agreement on cooperation in the shipbuilding industry and mutual deliveries of ships and marine equipment for 1986-1990. This is the largest agreement in this sphere ever in the whole history of Soviet-Polish trade and economic cooperation.

This article is about the development of the shipbuilding industry in Poland and the Polish export of products to the Soviet Union.

The conclusion of numerous export contracts created the prerequisites for rapid development of the Polish shipbuilding industry, and stimulated the building of modern, technically sophisticated vessels. Large orders for ships and planned and long-term cooperation with the Soviet foreign trade organization Sudimport had a positive impact on the expansion of the shipyards and shipbuilding enterprises' industrial capabilities, on the formation of the production structure and full utilization of the available industrial potential. The experience gained during the construction of vessels for the USSR was useful for the dynamic growth of Polish export on the world markets.

Poland has been maintaining cooperation with the Soviet Union in the shipbuilding industry for 35 years already. Over this period Polish shipbuilders have delivered over 800 various-purpose vessels among which are over 400 freighters (total deadweight more than four million tons) to the Soviet Union.

In June 1950 the USSR received the first Polish vessel—the *Per-vomaisk* ore-coal carrier (deadweight 2,540 tons). Thus the Polish shipbuilding industry started to be one of the USSR's largest ship suppliers even as far back as the 1950s.

The share of Poland in the USSR's ship and marine equipment import in 1950 was nearly 18.5 per cent and in 1960 about 16.5 per

cent.

The 1960s were noted for the high output of Polish ships for subsequent delivery to the USSR (in 1960 their total tonnage amounted to 125,000 tons and in 1970 it reached 300,000 tons). Since the early 1970s the USSR has been purchasing from Poland fish factory ships, refrigerators, oceanographic ships and fishing and sealing trawlers.

In 1975 the total tonnage of ships supplied to the USSR topped 500,000 tons. The delivery of three oil-ore carriers (each of deadweight 100,000 tons) was instrumental in reaching this figure. In the second half of the 1970s ship export to the USSR fluctuated round and about the limits of 200,000 tons deadweight per year.

After 1980 the delivery volume was less than 100,000 tons deadweight due to the increasing tendency to construct small specialized ships.

Over the 35 years the production technology, the types of ships and sophistication of marine equipment have changed markedly.

After the series of ore-and-coal carriers the deliveries to the USSR began to include trawlers, coal carriers and container ships. In the late 1950s the list of export ships contained fish-factory ships and timber carriers and since 1961 also tankers. Foreign special press publications including FAO (the UN Food and Agriculture Organization) bulletins considered the fish-factory ships supplied in the 1960s as the most modern ones in the world at that time.

In the 1970s the list of ships delivered to the USSR was extended to include sophisticated highly

automated ships such as refrigerator banana carriers, supertrawlers, superseiners, fish-processing canneries, meteorological and surveying vessels, as well as training and research vessels. After 1975 Poland also delivered Ro-Ro ships and ferry-boats to the USSR. In 1983 the USSR received the first ships for servicing sea-based drilling platforms.

The US special magazine *Marine Engineering Log* considered the first Ro-Ro ship supplied to the USSR in 1976 as the most modern "ship of the year." Ro-Ro ships are being exported to the USSR now. In the next five-year plan period a new series of universal Ro-Ro ships, larger in size and more efficient in operation, are to be constructed for the Soviet Union. Polish and Soviet mutual ship and marine equipment deliveries are based on five-year intergovernmental agreements which are concluded after meetings and consultations between specialists and representatives from the shipbuilding industry and the two countries' planning bodies.

In November 1980 Poland and the USSR signed an Intergovernmental Agreement on Cooperation and Mutual Deliveries of Ships, Technical Facilities and Marine Equipment including those for prospecting and extracting oil and gas from the continental shelf of seas and oceans for 1981-1985 under which specialized ships such as refrigerators, timber-pile carriers, Ro-Ro ships and passenger and vehicle ferry-boats were delivered.

These ships' designs mirrored the world's latest shipbuilding tendencies, such as specialization in shipping certain cargo groups using modern transshipment systems and

differentiation into certain transshipment units. As a result cargo transporting time reduces, the quality of the cargo's preservation improves and the transportation costs per cargo unit become lower.

At present Poland exports the following types of fishing vessels to the Soviet Union: fish and shrimp-catching vessels, fish-factory trawlers and fish-processing canneries, which are good examples of the Polish designers innovations taking account of the changing operating conditions and the customers' requirements. The construction of these ships is a very labour-intensive operation because they are equipped with specialized, sophisticated facilities and devices for catching and processing fish.

The Shelf programme elaborated in 1978 is being realized thanks to Soviet-Polish cooperation in the design sphere, Poland's deliveries of ships and other facilities for prospecting and extracting oil from the seabed and the USSR's supplies of special equipment for these types of ships being built in Poland. Under the Shelf programme Polish shipyards began constructing supply ships, drilling platforms, fire-fighting, crane and geophysical ships designed for operation in the difficult USSR North and Far East climates. The fulfilment of the Shelf programme is helping the Polish

shipbuilding industry to advance and start manufacturing the highest quality products and expand its export potential.

The recently signed Polish-Soviet Intergovernmental Agreement on Mutual Deliveries of Ships and Marine Equipment for 1986-1990 envisages a substantial growth of export of Polish shipbuilding products to the USSR and extension of their range. Their cost volume is expected to double that of the factual delivery volume in 1981-1985. The export list includes merchant and fishing vessels, ships to fulfil the Shelf programme, small specialized ships, timber-pile carriers, Ro-Ro ships, passenger ferry-boats, sailing vessels, floating docks, research ships, a wide range of fishing vessels, in particular, fish-factory ships, fishing trawlers, fish-shrimp-catching trawlers and ships for catching and processing krill.

The Centromor joint-stock company directly deals with the export of Polish ships. In April 1985 it marked the 35th anniversary of its foreign trade activity. Over these years Centromor exported 1,298 ships (total deadweight 11.2 million tons) to 32 countries.

Thanks to Centromor's effective commercial activity Polish shipbuilding products have gained wide recognition and are in demand on the world market.

COPYRIGHT: "Vneshnyaya Torgovlya" 1985 English Translation, "Foreign Trade", 1985

/12851

CSO: 1807/178

LATIN AMERICA AND CARIBBEAN

EVENTS IN SEIZURE OF COLOMBIAN GOVERNMENT BUILDING REVIEWED

Moscow ZA RUBEZHOM in Russian No 50, Dec 85 pp 12-12

/Article by Vadim Polyakovskiy: "Colombia After the Assault Upon the Palace of Justice"/

/Excerpts/ Tense internal political conditions have arisen in Colombia (area--1,1389 million square km, population--roughly 30 million). The course taken by the president of the country, Belisario Betancur, for solving critical national problems by way of negotiations and dialogue is running up against the opposition of ultrarightist and leftist-extremist groups. The economic situation of Colombia, which has a foreign debt of 11 billion dollars, has become complicated as a result of the eruption of the volcano Ruiz.

...19 April 1970. Presidential elections are taking place in Colombia. A group of students and recent university graduates--for the most part coming from petty-bourgeois families--support the candidacy of the daughter of the past dictator Rojas Pinil. After the elections, considered by them a farce, the young people create "The 19th April Movement," abbreviated "M-19." They call it a movement of partisans. By that time partisans had long been in power in the village regions since 1948, to be precise. Rebel forces had sprung up in response to the violence unleashed by reactionary regimes. The partisans had been demanding that the authorities put social reforms into effect in the interests of workers and the democratization of the country. The year 1964 saw the appearance of a major partisan formation--the Revolutionary Armed Forces of Colombia (RAFC). Moral fiber, conscientious discipline, and well thoughtout actions distinguished the men and commanders of the RAFC.

In 1974 an "M-19" detachment stole Bolivar's sword from the Capital museum. "The government is unworthy of guarding such a relic," said their communique. Five years later "M-19" took possession of 5,000 rifles in one garrison. In February of 1981 it carried out an attack on the Dominican Republic Embassy in Bogota, while a reception was going on...57 persons were seized. Women and the sick were freed. The rest were held hostage for 61 days. Finally a large ransom was obtained, and the right to read their manifesto on television was granted the rebels, along with the right of those who held the embassy to leave the country.

In August of 1982 Belisario Betancur, noted author, publicist, and university professor, took up residence in the Presidential Palace, "La Casa de Narino." In the course of his election campaign, Betancur promised to implement "urgent reforms." Practically all our interlocutors in Colombia agreed that B. Betancur enjoyed a popularity that his predecessors did not dream of. He took advantage of it in order to realize his longstanding idea--to implement, by way of negotiations and without bloodshed, a process of pacifying the country. (In Colombia, which has tired of longstanding military operations, it is called a peacemaking process.) The president began by declaring amnesty to political prisoners--the partisans had been demanding it as a preliminary condition for a ceasefire and the beginning of peaceful negotiations.

B. Betancur, as it is believed in Colombia, is sincerely interested in establishing peace and making it stronger, but it is very difficult to accomplish this task in a country where the influence of the oligarchy and military groups is so substantial. A truce did not suit many officers and generals. We were told that they did not want to lose the so-called "field compensation" for the period of operations, and the possible decorations too.

More than a year was required by the president to conclude a truce. The peace commission, created by him from representatives of government, congress, the clergy and the major parties, went specially to the city of La Uribe, where the RAFC headquarters was located, and conducted long negotiations there.

In March of 1984 an armistice with the RAFC was signed. Scenes of fraternization between the soldiers and the partisans spread through all the Colombian newspapers then. Having become legal, this organization decided to create a political movement--the Patriotic Union--into which various democratic forces entered, including the Colombian Communist Party (CCP). In Bogota, during 14-16 November of this year, the first meeting of the Patriotic Union took place. The Union nominated Jacobo Arenas, one of the RAFC leaders, as candidate for president of the country in the forthcoming May 1986 elections. Speaking of the final meeting, the secretary general of the CCP Central Committee, comrade Gilberto Vieira, said that the main task of the Patriotic Union is the struggle to protect the democratic process in Colombia.

In 1983-84 B. Betancur himself met with the leaders of "M-19" in Madrid and Mexico. The truce and ceasefire agreement was signed on 24 August of last year. A large group of the movement leaders came out of prison. But 10 months later, in June of 1985, the leadership announced that in response to the action of government troops the movement would renew military operations. By this time it had established close contact with the semimilitary terrorist alignment "Ricardo Franco," which, as the Communist newspaper VOZ stated, was literally larded with agents of the special services.

The executive committee of the CCP Central Committee announced publicly that, in concluding an agreement with the "Ricardo Franco" alignment, the leadership of "M-19" was committing a serious mistake. By a concurrence of circumstances, literally a week before the tragic events surrounding the Palace of Justice, the executive committee of the CCP Central Committee warned "M-19" against "thoughtless actions that play into the hands of the most reactionary groups of the armed forces." The warning was not heeded.

Operation "Scorched Earth"

On Wednesday, 6 November, at 11:40 in the morning, a covered truck burst into the underground garage of the Palace of Justice. In the building at the time there were around 500 persons, including visitors. Having quickly gunned down 4 guards, 35 militiamen of "M-19," they seized 4 floors, placed machineguns and mortars at strategic points and set to work sorting out the hostages. The story goes that at that time, as one group made phone calls of newspaper editorial staffs, informing them of their demands, another group separated those members of the Supreme Court who engaged in matters connected with the narcotics trade (the so-called narco-business is very widespread in Colombia), or with the Extradition Agreement (handing over criminals) signed with the United States. Plump volumes with documents were carried out of the studies of these judges. Later it was revealed that 12 members of the Supreme Court were killed, and material about narcotics was burned to ashes.

The demands of "M-19" upon the authorities amounted to publishing, within 4 days, the movement manifesto and stenographic accounts of the meetings of the Commission for Observance of the Truce, and granting one of the leaders the opportunity to speak on television. President B. Betancur, in his radio address, suggested that those who took part in the seizure of the Palace of Justice, where the first victims had been, give themselves up. He guaranteed that their lives would be spared and that they would receive due process of law. In response, new shots rang out....

Meanwhile, army subunits numbering up to 3,000 men surrounded the Palace. Artillery was set up on Bolivar Square, and "Kaskabel" and "Urutu" tanks, manufactured in Brazil, appeared. One of the tanks rammed the entrance door, went inside, and began to fire helter-skelter. The battle had been going on 3 hours when about 200 hostages were successfully helped out of the Palace of Justice. Among them was the president's brother, Jaime Betancur, a member of the Government Council. Then two tanks burst into the underground garage. Troops landed from helicopters.

At the time when the battle for the Palace was still going on, the Colombian Communist Party made an appeal for dialogue. "Although we condemn this action (the seizure of the palace), and insofar as it is not in keeping with the present political situation and does not further the national cause--as it was said in CCP statements--we call for end to the bloodbath, victims of which many of our compatriots--both civilian and military--have become, having fallen in the ruins of the Palace of Justice. Human lives must be saved, as must the process of struggle for political changes and a democratic peace, which are threatened by the continuing events."

This appeal met with a deaf ear. And what is more, all the time new army subunits kept appearing on Bolivar Square. Three more hours went by--and the assault on the building began. Luckily, before this took place one more large group of hostages were able to break out.

Inside the Palace, the powerful explosions did not die down. A fire started. The suffocating smoke filled all floors. But the exchange of shots did not

cease. Everything came to end the next day, at 1420 hours. The siege took 27 hours. Over 100 corpses, many burned beyond recognition, turned up in the Palace. Half the members of the Supreme Court perished, headed by Chairman Alfonso Reyes, member of the Permanent Committee for the Protection of Human Rights, and author of the amnesty bill. All 35 militiamen of "M-19" perished.

Against Whom Was the Blow Aimed?

As it has already been mentioned, the seizure of the Palace of Justice was directed against the Supreme Court and Government Council. For all this, a large group of "M-19" fighters and commanders was destroyed, including three militiamen. The movement, which had undertaken such an adventurist action, suffered a great loss in morale. But the matter was not limited just to this. The organizers of the provocation pursued the goal of inflicting a blow against the RAFC and the Patriotic Union, of not allowing them a chance to participate in the pre-election struggle. In the first days of December, the period of the truce, signed by the RAFC and the government, was running out. The major partisan formation proposed to the authorities an extension of the agreement until September of the next year. The president was handed the corresponding document--underneath were the signatures of 150,000 persons. A number of generals objected stubbornly, but B. Betancur stood his ground: on 1 December the armistice was extended for an indefinite period.

In Colombia it is believed that the action of "M-19" had also the goal of inflicting a blow against the Communist Party, to discredit the peacemaking process for which it is fighting, to weaken its influence on labor unions, and to thwart Communist participation in the election campaign. It was no accident that, in the days preceding the seizure of the Palace of Justice and after the events on Bolivar Square, the editorial office of VOZ, the CCP Central Committee building, and a series of prominent Party figures became the objects of armed attacks. One of the attacks occurred during our stay in Bogota. On 15 November at 5:00 in the morning a powerful blast shook the premises of the Party Central Committee. The blast smashed the iron doors to smithereens, knocked a wall to pieces, and caused great destruction inside the building. A striking detail: a policeman, usually on duty at the building, left his post 2 hours before the blast.

Considering how the "large press" of Colombia interpreted the events surrounding the Palace of Justice, it is not hard to guess what additional goals--immediate and long-term--were pursued. One day in November the very prominent newspaper EL TIEMPO unexpectedly announced that "Cuban and Nicaraguan partisans" had supposedly participated in the "M-19" operation. As was to be expected, various information organs of the United States hurried to dispel these rumors, with the aim of deluding the Colombian people and the international community. This, it is true, was unsuccessful.

An editorial article in the magazine (MAGASIN 8 DIAS), as it seems, went even further: "continuous concessions, made to subversive groups by the government, which is not capable of guaranteeing order, have led to a loss of trust in the authorities.... The so-called peacemaking process has upset the stability of state institutions. We don't need such peacemaking. We don't want to have such a nation," said the article.

Almost the same charges concerning President B. Betancur began to resound in the National Congress. Members of the House of Representatives from the right opposition even demanded the resignation of the head of state. A special hearing was scheduled for 14 November in the lower house of Congress. The eruption of the Volcano Ruiz the day before, seemingly covered over the issue. Period, as the saying goes. Or, possible, a series of periods...

As the newspaper VOZ announced at the end of November, plans to destroy the Communist Party, trade unions, and other progressive forces are being carried out in the armed forces. The CCP and the Patriotic Union, in a special statement, emphasized that : "in connection with the tragedy that took place in the Palace of Justice, the cause of which were the adventurist actions of the national leadership of "The 19th April Movement," and the natural calamity caused by the eruption of the volcano Ruiz, the intensification of militaristic groups is taking place in the nation.... A plan has been implemented, aimed at physically destroying the leaders of revolutionary organizations in Colombia." The names of the progressive figures who fell at the hands of the murderers in the last few weeks were placed in the statement. Among them is Oscar William Calvo, who last year signed an armistice agreement with the government on behalf of the National Liberation Army (yet another organization of partisans). The statement concludes with words about "the dangerous development of today's internal political situation."

13101/12228

CSO: 1807/136

CHINA/FAR EAST/PACIFIC

APPEAL TO UN FROM 'DEMOCRATIC' CAMBODIA ASSAILED

Moscow LITERATURNAYA GAZETA in Russian No 5, 29 Jan 86 p 9

[Article by S. Dashkov: "A Sign of Confusion"]

[Text] In front of me are two articles from the Chinese information agency Xinhua sent several days apart, first from Beijing and then from the UN. Both articles cite the same document under the intriguing name "An Open Letter from the Cambodian People to the Soviet People".

This is a serious matter. It happens that heads of state write one another, governments, parliaments and social organizations exchange messages, and so forth. But here is a letter from a people. To write such a letter is a great responsibility. Only very authoritative figures, possessing the necessary political, legal or moral status are able to take this upon themselves. Thus, perhaps the letter came from Phnom Penh, capital of the People's Republic of Kampuchea, residence of the PRK government?

No, the Cambodia here, and the Cambodian people, are not this one. The "letter" was read over the "Radio of Democratic Kampuchea" (this is the Pol Pot station located in southern China) and it was distributed in the UN by representatives of the "coalition government of Democratic Kampuchea", that is, the same Pol Potists somewhat covered by Sihanouk and Son Sann--political figures from the pre Pol Pot period. These figures are not tainted by the genocide of their own people. However, they have now become a convenient screen for the Pol Pot cutthroats, guilty in the deaths of three million Cambodians. However, even Sihanouk, nominal head of the "coalition", feels uncomfortable in the company of the Pol Potists and tries in any suitable situation to disassociate himself from them.

The "letter" from the "coalition" distributed in the UN was read to those people who are completely unacquainted with the situation in People's Kampuchea and with the facts of the subversive activity of its enemies. The letter's authors request the cessation of international aid from the friends of the PRK, promising instead "friendly relations with Democratic Kampuchea".

How can they say this? This group, thrown out of the country by the people, living on other people's money, without a patch of land of their own, pretends the right to speak in the name of the people and state. This is a sorry and laughable spectacle.

But generally speaking, this "letter" is not a bad sign. It is a sign of the weakness and confusion of the anti-Cambodian "coalition" and its masters in the face of the successes of people's Kampuchea, the cruel internecine quarrels in the camp of the Khmer reaction and its greater isolation in the international arena. This spectacle of the "letter" looks very miserable on the basis of the unarguable successes of the PRK in consolidating its internal and international position and of the clear and realistic position of the current government of Cambodia, actively speaking out in the name of the Cambodian people. The essence of this position is that negotiations on national reconciliation with external Khmer groups are possible only on the basis of military and political elimination of the Pol Pot clique. The Cambodian people have passed the sentence that this criminal clique is forever outside the law. No matter in what clothes they disguise themselves, no matter what "letters" they invent.

CSO: 1807/188-P

CHINA/FAR EAST/PACIFIC

BRIEFS

NORTH CHINA PLAIN DEVELOPMENT PLAN NOTED--Beijing, 27 Dec--The Chinese press reports that specialists from China's Academy of Sciences have created a mathematical model for the economic development of rural regions in the North China Plain, and have also elaborated an agricultural production strategy for this vast region. This was announced at a conference held in Beijing devoted to the elaboration and implementation of a program for comprehensively developing and opening up the plain. The North China Plain, with a total area of 380,000 square km and crossed by the rivers Huanghe, Huaihe, and Haihe, is a leading region for the production of grains, cotton, and oil-yielding raw materials. The low harvest yield of agricultural crops, caused by constant drought, soil salination, floods, and sand drifts, is a serious obstacle to the local economy's development. This is why various regional studies were included in the program of the Sixth 5-Year Plan for the PRC's economic and social development, which ends in 1985. It was noted at the conference that the scientific workers' efforts have revealed the plain's water, soil, and biological resources. [TASS report: "Development Program"] [Text] [Moscow SELSKAYA ZHIZN in Russian 28 Dec 85 p 3 PM] /12712

CSO: 1825/40

14 March 1986

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

U.S., FRG, RSA INTEREST IN ISRAELI NUCLEAR PROGRAM ASSAILED

Moscow KRASNAYA ZVEZDA in Russian 17 Oct 85 p 3

[Article by V. Bashkin: "Who Encourages Tel Aviv's Nuclear Ambitions"]

[Text] This complex of massive structures of steel and concrete in the vicinity of the city of Dimona is the holy of holies of Israel's extremists. It is namely here that the main "nuclear kitchen" of Tel Aviv is located, where atomic scientists and the military are engaged in designing and creating weapons of mass destruction. It is no accident that all the work conducted here is strictly secret. Whereas Israel as a member of the International Atomic Energy Agency (IAEA) is forced to agree to monitoring of some of their civil nuclear centers, it categorically refuses to permit inspection by the IAEA in Dimona.

The facility is carefully guarded with the aid of a system of signals and troop units equipped with the most modern electronic systems and radar stations. When in June 1967 a damaged Israeli aircraft found itself in the airspace of the nuclear complex, it was immediately destroyed with a Hawk missile and the Israeli pilot was killed. In 1973 a passenger aircraft of a Libyan airline was knocked down when the machine, on losing its course, found itself in the zone of the forbidden area. Israeli fighters scrambled into the air on an alarm and shot it without warning. As a result of this piratic action, 113 persons on board the liner were tragically killed.

The desire of Tel Aviv to become a member of the "nuclear club" is causing lawful concern on the part of the international community. In a concluding document of a group of UN experts published in 1982, it is pointed out: "...there are important indications to the effect that Israel reached the threshold of a nuclear power at least 10 years ago. The group of experts wants especially to emphasize that it has no doubt that if Israel as yet has not crushed the nuclear threshold, it has the resources to produce nuclear weapons in the shortest possible period of time"....

"Hawks" from Tel Aviv declared their intention to create atomic weapons literally in the first days of formation of the Israeli state. The "bomb in the cellar," in their words, must become a "guarantee of Israel's security." In reality, the nuclear club is needed by the Zionists for carrying out a

policy of annexation and forceful pressure on and blackmail of progressive Arab regimes. And this is well understood in the West.

The course of Israeli extremists for getting possession of nuclear weapons found the understanding and support of a number of nuclear powers, first of all members of the aggressive NATO bloc. There is no doubt that without their practical assistance, Israel's efforts in this direction would perhaps have been ineffective. The fact is through relying on aid from Western countries, the Israelis created their own nuclear technology and conducted an arms race without precedent. Thus as far back as in 1953 an agreement was signed on scientific and technical cooperation between France and Israel. It provided in particular for broad exchange of information on nuclear problems and produced an opportunity for Israeli scientists to study them in France. In exchange for Israeli technology for producing heavy water and extraction of low-grade uranium, Tel Aviv gained access to information on basic nuclear technological processes developed by French scientists as well as the possibility to become acquainted with the results of tests of nuclear weapons in the Sahara in which Israeli scientists took part as observers.

This is not the first year that Tel Aviv has maintained contacts with Bonn in the nuclear field. It is known that even K. Adenauer during his days as chancellor of the FRG contributed a considerable sum for the Department of Nuclear Science of the Weizmann Institute in Rehovot. The next turn in this cooperation occurred in April 1984 when the FRG visited Israel's Minister for Affairs of Research and Science J. Neeman, a nuclear physicist by profession. According to the testimony of the Israeli newspaper HA'ARETZ, one of the chief subjects of his meetings and talks with West-German Minister for Research and Technology H. Riesenhuber was participation of Israeli scientists in the construction of a nuclear accelerator in the FRG.

But the biggest understanding and support for Israel's nuclear strategy are encountered in the United States. Certain American politologists are concocting today all kinds of theories justifying Tel Aviv's nuclear ambitions. Thus Professor R. Tucker from Johns Hopkins University cynically argues that Israel's atomic weapons in the Near East could serve as a "restraining and stabilizing factor" in this region. The aim of such propagandistic tricks is clear. Pursuing hegemonistic interests, American imperialism considers Israel as its military and political bridgehead in the Near-East region, as a bulwark in the struggle with the national liberation movement. For this end, Washington provides Tel Aviv not only all-round political and economic support but also supplies it with the latest armaments and cooperates in the creation of a nuclear arsenal. "In the field of nuclear weapons, the United States is also pursuing a special policy in regard to Israel," D. Nes, the former charge d'affaires wrote in London's TIME in the beginning of 1971, "We presented Israel with the most modern technical and political data pertaining to effective use of nuclear weapons in the Near East."

As far back as June 1956, an American-Israeli agreement was signed according to which the United States supplies Israel with a research reactor of the basin type with a heat capacity of 1 megawatt and turnover for its "feed" of 10 kilograms of enriched uranium. According to testimony of the journal AFRIQUE-

ASIE published in Paris, three months after the signing of this agreement, the Americans turned over to Tel Aviv a large library consisting of 6,500 scientific works and reports of the U.S. Commission for Atomic Energy and also about 45 reference books on nuclear problems and conducted research studies and publications. At the same time the United States provided material aid amounting to \$350,000 for development of nuclear research.

The United States also provided considerable assistance in training of specialists in the nuclear field. In the United States, tens of Israeli atomic scientists, who worked in the two chief American research nuclear centers--in Oak Ridge and Argonne Forest--underwent training. One of the "fathers" of the hydrogen bomb, the American physicist E. Teller, has been a frequent guest of Israel. He repeatedly has lectured and provided consultations to Israeli physicists on various problems of nuclear research. Once a correspondent of the Johannesburg newspaper SANDY TIMES managed to talk with him. "I frequently visit Israel," E. Teller admitted. "The Israelis report to me everything that they know. I inform them everything that I know. For this reason, don't expect me to tell you whether or not they have a nuclear bomb."

In 1978, materials of the U.S. CIA percolated into the world press in which it was pointed out that nuclear weapons were being made in Israel partly from uranium acquired by means of "secret methods." A scandalous story is connected with the American firm Newmec. During inspections at this firm in the middle of the '60s, the American Commission for Atomic Energy disclosed the loss of no less than 200 pounds of highly enriched uranium. As the result of an investigation, the fact was established of an "agreement on cooperation with Israel in which New Mec played the role of a technical consultant and an agent of Israel in United States. And this is not the only case. The Egyptian newspaper AL-AKHALI noted that Washington helped Tel Aviv with secret shipments of uranium to create its own atomic bomb. Now, the paper indicated, the United States is attempting to provide Israel with the means of its delivery. Back in 1968, when talks were going on on shipments to the Israelis of 50 F-4 attack bombers, Tel Aviv directly turned to Washington with a request to equip some of them with attachments for delivery of atomic bombs.

Today, F-14 and F-15 fighters can be used for delivery of nuclear weapons after simple modernization as fighters of the latest design, which they obtained from their transoceanic partners as well as Lance missiles of American manufacture. Considerable concern is also being created in the international community by plans of the American military to place on the territory of Israel Pershing-2 missiles, capable of carrying nuclear warheads.

In Israel's plans, a special place is given to cooperation with the South-African racists. Economic, and particularly military and political ties between the two countries have long been maintained in secret. The curtain of secrecy was opened in 1976 when the then SAR Prime Minister Vorster paid an unofficial visit to Israel. As a result, a number of agreements were signed between Pretoria and Tel Aviv in the military, scientific and technical fields. In exchange for providing scientific and technical aid to the SAR racists, Israel received access to South African uranium.

Many experts believe that the "mysterious bright flash" that occurred on 22 September 1979 near the Atlantic coastline of the SAR was the result of an explosion of a nuclear device carried out jointly by Israel and the SAR. As the English newspaper DAILY TELEGRAPH pointed out, this fact of a nuclear test was confirmed by CIA officials at a meeting of one of the committees of the U.S. Congress. And although the Israeli authorities through a representative of the defense department hurriedly came out with a denial, their assurances convinced hardly any one. In Pretoria, it was evaded with silence. In 1980 a similar flash was repeated.

Evidence exists that Israel and the SAR have jointly developed a nuclear shell for a howitzer of South African manufacture. And since 1984, Israeli technical specialists have been taking part in the construction of the first atomic submarine in the SAR.

All these numerous facts irrefutably show that the Western countries are encouraging Israel's nuclear ambitions. Their realization presents a serious danger not only to the peoples of the Near East but also for all mankind.

7697

CSO: 1807/114

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

INFLUENCE OF 'ZIONIST LOBBY' ON U.S. MIDEAST POLICY HIT

Moscow PRAVDA in Russia 30 Oct 85 p 4

[Article by V. Bolshakov: "The Patrons of Terrorists: How the U.S.-Israeli Axis Works"]

[Text] During his recent speech to the UN, U.S. President R. Reagan dedicated almost all of it to the necessity of solving regional problems. Without question this is important. But, the fact of the matter is that in the opinion of the majority of international analysts, the President's "regional initiative," was put forward with the obvious goal of distracting world attention from the main problem of our time--the elimination of the threat of nuclear war, averting an arms race in space and halting it on earth. Together with the arbitrary selection of the list of "regional conflicts" presented in the speech, this confirms the attempt of the present U.S. administration "to screen" pro-American regimes performing international brigandage and violating human rights. The most glaring example of this is American-Israeli relations. In them, as if in a mirror, are reflected Washington's policies directed toward protecting their wards from responsibility for crimes they have committed, including by slandering those states whose regimes "do not suit" the United States of America.

A brigand attack was made by Israel on Tunis on 1 October this year in which more than 70 Palestinians and Tunisians who worked in the headquarters of the Palestine Liberation Organization died. The barbaric attack on 27 October on the Lebanese town Barr Ilyas in the Bekaa Valley was the eleventh raid on Lebanon this year. There have been new repressions by the Zionist militarists against the peaceful inhabitants of the West Bank of the Jordan and Southern Lebanon. There was a resounding condemnation in the President's UN speech of the well-known UN General Assembly Resolution 3379 made 10 years ago establishing that "Zionism is a form of racism and racial discrimination." This is a short list of events which have taken place just in October of this year and confirm the generally accepted truism: Tel Aviv conducts its policy of state terrorism with the blessing and direct support of the United States.

Many facts and eyewitnesses testify to this support. According to UPI, the commander of the U.S. Sixth Fleet based in the Mediterranean knew of the planned raid on Tunis. Not only did he know, the Italian newspaper

"REPUBBLIKA," for example, reported that the Israeli F-15's which bombed Tunis were refueled in the air by American KC-135 refueling aircraft which were transferred to the Fiumicino Airport in Rome especially for this purpose. Arab sources report that the Sixth Fleet conducted radar jamming in order to prevent the Tunisian Air Defense from detecting the Israeli vultures.

One must not forget the other side of the story. The F-15 and F-16 aircraft which participated on the raid on Tunis and the many raids in Lebanon were sent to Israel from the United States. The U.S. trained the pilots on the equipment in these aircraft from the radars to the air-to-ground missiles which fell on Tunis. Israel acquired them under the framework of American military aid. According to the U.S. law on arms exports, it requires that such equipment only be used for "national and regional defense." Under these parameters Israel broke these laws, but in the U.S. they rushed to announce that nothing of the sort had happened and that Tel Aviv with their bandit raid on Tunis, which is 2400 kilometers from Israel, was only "resorting to self-defense." At all levels of the present U.S. administration--from the White House to the State Department--they repeated this version and expressed "understanding" of the purpose of the latest terroristic act by Tel Aviv. In a similar manner they "understood" the raid on Barr Ilyas. And now here are some facts from recent history.

On the eve of the "Six Day War"--the Israeli aggression in 1967 against the Arab countries--President Johnson ordered the transfer of a "Phantom" fighter squadron equipped with night vision devices from a NATO air base in England through Spain to an air base near the Israel Dimona atomic center. With their help the Israelis managed to bomb the Egyptian Air Force on their airfield without even allowing them to take-off. "Thus," wrote the Chicago journalist George Weller, "Israel received from Johnson and his Zionist entourage what it wanted--not simply a guarantee to assist if necessary but full and active participation in the air strikes in the initial period of the war."

Later the same "Phantoms" participated in the attack on Syria and it was not until 12 June that they were transferred back to Spain.

In 1968 Israeli commandos blew up 13 civilian aircraft at the Beirut airport. During more than 8 months of 1975, Israel made 191 raids into Lebanon which led to the death of 249 people, of which only 13 were soldiers. They destroyed 447 homes of peaceful inhabitants. Finally, in 1982 the Israeli militarists began the broad invasion of Lebanon. Twenty thousand people were killed and tens of thousands were wounded and maimed. The loss suffered by Lebanon just in 1982, according to government data, was valued at 10 billion dollars.

Now, it is very well known that the barbaric Zionist operation in Lebanon "Peace for Galilee" was planned and coordinated by the Israeli General Staff and Zionist intelligence, the Mossad, together with the Pentagon and the CIA. Israel was not only provided with the latest American weapons which the NEW YORK TIMES wrote were not even in NATO or in the American Army, but also with highly detailed satellite photo maps of Beirut and other Lebanese cities. The Israeli Air Force bombing raids were adjusted by specialists from the

Pentagon. U.S. armed forces in the Mediterranean actually served the Sharon-Begin military machine in a large-scale genocide operation against Lebanese and Palestinians.

Simultaneously with the military and economic aid to Israel, which from 1948 to 1983 amounted to about 30 billion dollars, Washington unconditionally supports the Zionist terrorists in the UN and other international organizations. Moreover, the U.S. terrorizes the UN, threatening to withdraw from that organization if it imposes sanctions on Israel.

In this context the U.S. reaction to the Israeli Air Force terrorist raid on the Iraqi reactor on 7 June 1981 was also a demonstration of this, it may be said, a classic act of international terrorism. At its 28th general conference the International Atomic Energy Agency (IAEA) intended to accept the Iraqi proposal to take sanctions against Israel for this barbaric and completely unprovoked attack. The majority of IAEA members were prepared to do this. But a week prior to the start of the conference in Vienna, U.S. Deputy Secretary of State Newell sent a letter to each delegate in which he stated that in that case the U.S. would walk out of the conference and halt all financial support for the IAEA and participation in its programs. The U.S. position was stated to be "final" and "not subject to discussion."

Being an accomplice to Tel Aviv in its aggressive actions against the Arabs is a component part of U.S. foreign policy activity. There are many ulterior motives for such "uncompromising support." The interests of American imperialism and international Zionism (Israel, as you are aware, was firmly integrated with the latter from the moment of its creation) are tightly intertwined. Millionaires of Jewish descent, who, as a rule, lead both the Zionist organizations in the U.S. and the leadership of international Zionist organs, have secure positions in the U.S. military-industrial complex system and in banking and own much of the mass media. At the same time these same people control the Israeli economy, which is shown by the regular economic "Jerusalem conference of millionaires" (the last being in September of this year). In them they solve Israeli financial problems, regulate its currency mess and plan measures to support a constant flow of capital investments, loans and so forth.

Zionist capital created a global network in the interest of international Zionism and in their own interests to influence the political, government and social institutions in the U.S. and in other capitalist countries. Thus, the advanced guard of the Zionist lobby, the "American Israel Public Affairs Committee" (AIPAC), has more than 250,000 official and unofficial "pushers" available. Under the aegis of the AIPAC, there are 75 political action committees and special lobbying organizations trying to influence the members of the U.S. Congress, ruling establishment and political parties.

One may judge the capabilities of the Zionist lobby on that side of the Atlantic by the pronouncement of a former member of the U.S. House of Representatives, P. Findley. In his book on Zionism in the U.S., he wrote that those Americans who criticized Israel could expect "painful and relentless retaliation, and even loss of their livelihood, by pressure by one or more parts of Israel's lobby."

This lobby forces official Washington to invariably stand on the side of Israeli aggressors and impels it to act in that manner even in those cases when it directly opposes U.S. national interests.

As the director of the Washington Center for Palestinian Research and Education, Dr Muhammed Hallaj said that without such support Tel Aviv, of course, would not be able to accomplish its outlaw acts on an international scale. Actually, "With each year," he wrote, "Israel depends more and more on U.S. weapons for war, U.S. money for food and the U.S. veto to protect it from the righteous indignation of world society."

Of course, the U.S. governing circles do not throw away billions of dollars on all of this unintentionally. In the terminology of the Pentagon's "RAND" corporation, the U.S. deftly uses Israel as its "proxy" when it is "uncomfortable" for Washington to interfere directly in the affairs of one of the Middle East countries and beyond its borders. Tel Aviv actively participates in programs exporting counterrevolution put together by Washington. It sends weapons and "advisors" to the Nicaraguan Contras detachments, bloody Latin American dictators and so forth.

But, very likely, most shameful is the use of Israel and its soldiers by the U.S. military-industrial complex for research and development of new means of destruction. For this purpose a powerful domestic military-industrial complex, actually a branch of the American, has been created in Israel. It is not by accident that it has now been included by the Pentagon in developing [razrabotka] "Star Wars."

Commenting on the present stage of American-Israeli relations, the U.S. press has noted that they have become "especially cordial" in the years of the present American administration, that is, in a period noteworthy for its sharp increase of U.S. imperialist aggressiveness, including the Middle East, the unprecedented scope of the arms race and an intensification in the psychological warfare against socialist countries. The visit of Israeli Prime Minister Shimon Peres to Washington in the middle of October this year again demonstrates the dangerous unanimity of the "strategic partners" in everything that concerns increasing international tensions.

It is clear that the close "strategic partnership" between Israel and the U.S. is becoming an obstacle on the course not only to controlling the Middle East but objectively makes possible the rekindling of conflicts in various parts of the earth. The partners in the arms race, state terrorism and psychological warfare act are in unison and use similar methods casting aside the entreaties of all peaceful society.

12747

CSO: 1807/101

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

SOVIET-INDIAN TIES CONTINUE TO STRENGTHEN AFTER GANDHI'S DEATH

Moscow IZVESTIYA in Russian 30 Oct 85 p 5

[Article by V. Skosyrev: "Indira Gandhi's Heritage"]

[Text] I would like to begin this article with an episode that is sometimes cited by Indira Gandhi's biographers. From the point of view of orthodox tradition, a boy is considered desirable for the first born in Indian families. But when a girl was born to Jawaharlal Nehru, the future head of the first government of independent India, her grandfather, Motilal Nehru, said: "Sometimes one cannot know in advance. This daughter of Jawaharlal could be worth thousands of sons."

The flight of time is inexorable. A year has already passed since Indira Gandhi fell victim to a criminal conspiracy. But the further into the past that the tragedy, which occurred on 31 October 1984 on a shady street in New Delhi, recedes, the clearer can the role be seen which this remarkable woman played in the destiny of the young state at sharp turning points of its history.

I recall a pleasant day in 1969 when Indira Gandhi received a group of correspondents in the oval Parliament building surrounded by columns. This was for her undoubtedly a testing period. She had ruled the government for 3 years, and a split was imminent in the Indian National Congress (INC) party. Rightist leaders of the party, who at that time headed the party apparatus (the so-called syndicate), were dissatisfied with Indira working to carry out serious social and economic changes and prepared to unsit her from her position. The press with might and main caused a stir concerning this.

How did all this affect the prime minister?--I asked myself prior to the meeting. Indira Gandhi entered the room, smiled and asked for questions. Her face shone with good will; it showed no shadow of concern. Naturally, in the course of the talk disagreements in the ruling party were touched on. It would not be right to present the events that occurred as a collision of personal interests or a struggle for power. The case in question was preservation of the INC's course, which was formed under Nehru, and the ability of the party to lead the country on a path of changes, the prime minister stressed.

Everyone who had occasion to observe Indira Gandhi from a close distance observed her rare self-control and the ability to conduct herself in accordance with circumstances. Indira looked exactly the same at a diplomatic reception or at a rural vacant plot of land surrounded by a boundless crowd of peasants in dust-covered shirts who saw in her the hope of getting out of their age-old poverty.

The prime minister herself spoke repeatedly of the tremendous influence exerted on her by her father. Indira's mother died way back in 1936, and when J. Nehru formed a cabinet of ministers, Indira assumed the duty of mistress of his house. This gave her the opportunity to study well the mechanism of operation of the state apparatus and to come to know at close hand the leading politicians. The acquired experience subsequently helped her to a large degree to defeat the conservative bosses in the INC. But Indira Gandhi undoubtedly would not have acquired the ardent support of the rank and file members of the party if she had not been guided in her work by the ideals of social justice or had failed to call for limitation of the power of private capitalist monopolies for the sake of improving the life of the ordinary individual. In this context, steps of fundamental importance were nationalization of the biggest commercial banks and abolition of the hereditary privileges of the princes.

Such a course met with fierce resistance--at times secret, at times open. But Indira Gandhi remained faithful to her convictions. She said that it was impossible to tolerate a situation in which the fruits of development basically went to the propertied classes and demanded rectification of the one-sidedness of economic planning. However, the weapon for carrying out the reform and acceleration of economic growth had to be in her opinion the state sector, which ought to have the commanding heights in the economy.

Indira Gandhi familiarized herself with political life back at the time of British rule in India (in 1942 the colonial authorities imprisoned the future prime minister together with her husband--Feroz Gandhi. Her long career contained peaks and valleys. Still, perhaps, the talent of the political figure was never disclosed so fully as during periods of acute struggle on which the future of the republic depended. At the time of the preelection campaign of 1971, I happened together with other journalists to be riding in a car behind the country's leader along the byroads of Northern India. Scorching heat. Not a cloud in the sky. The taste of sand on the teeth. All the participants of the trip were extremely worn out. The prime minister also, of course, was tired, spoke with an effort in a cracked voice, but this did not hinder her from appearing several times a day and always finding simple words close to the frame of mind of her listeners.

Indira Gandhi demonstrated the same tirelessness in the struggle with reaction in the eighties when the imperialists increased their interference in the affairs of South Asian states in connection with which the forces of separatism and religious communal dissension became more active. The head of the government well understood what threat this would bring to the republic's unity and territorial integrity and adopted decisive measures against terrorism in the Punjab. The dissenters did not forgive her this.

The death of the ardent patriot shocked the country. The grief of the Indians was shared by the Soviet people, who during the repeated visits of Indira Gandhi to the USSR managed to well know and love her. Evidence of the profound respect which Indira Gandhi enjoyed not only in our country but also among the progressive circles of the world community was the posthumous award to her of the International Lenin Prize "For Strengthening of Peace Among Peoples."

In speaking of Indira Gandhi's political heritage, it should be pointed out that for her the country's national interests were most closely tied to the principles of nonalignment and nonparticipation in military blocs in foreign policy. But neither J. Nehru, who by right is called one of the fathers of the nonalignment movement, nor his daughter believed that this policy was the equivalent of neutrality in the face of the forces of aggression and war. Quite the contrary, from its first independent steps in the world arena, India has actively striven for political settlement of military conflicts and has stood for the cause of peace and disarmament. This has won deserved prestige for the sovereign republic and her leaders.

In carrying out her duties, Indira Gandhi frequently represented her country at different international forums and spoke from the tribune of the UN. And her voice sounded everywhere as the voice of a person unequivocally rejecting militarism and censuring the senseless military adventures of the imperialists and the nuclear arms race.

Under Indira Gandhi, the traditional bonds of friendship with the Soviet Union were raised to a new level. Specifically, at the time when Indira Gandhi stood at the rudder of the ship of state, the Treaty of Peace, Friendship and Cooperation was concluded between our countries. Elucidating the contents of this document, the prime minister said that it "laid a comprehensive basis for our relations. Like our friendship this treaty is not aimed against any country. It has for its aim strengthening of the forces of peace and stability on the globe, and such is its effect."

In the Soviet Union, the fact is highly appreciated that the present leadership of India headed by Rajiv Gandhi also attaches much importance to strengthening of ties between our countries. In the course of Soviet-Indian meetings at the highest level held in 1985, reference was made to the desire of both sides to contribute to all-out expansion of multilateral cooperation, growth of their coordinated activities in the international arena in the interests of the Soviet and Indians people and the cause of peace and security in Asia and in the whole world.

Coordinated action between our countries is, of course, becoming prevalent not just in the sphere of international politics. Its foundation has become trade, cultural exchanges and construction of the largest facilities of Indian heavy industry with the participation of the Soviet Union. In addition, this cooperation is not limited to the current decade but possesses a long-term character, encompassing the period to the year 2000.

In a word, Soviet-Indian relations continue to develop on an ascending line. Indira Gandhi always strove for this.

7697

CSO: 1807/89

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

MOROCCAN JOURNALISTS VISIT MOSCOW

[Editorial Report] Moscow MOSKOVSKAYA PRAVDA in Russian for 2 February 1986 carries on page 4 a 500-word article entitled "Warm Moscow Meetings" by G. Musayelyan and N. Kachurin about a delegation of journalists from Morocco's Press Syndicate which visited Moscow to sign a cooperation agreement with the USSR Union of Journalists. According to the article, "this is the first agreement the Morocco Press Syndicate has concluded with journalists of a European country." The visitors expressed their concern over the situation in the Middle East and praised the Soviet Union's peaceful initiatives. The chairman of the Syndicate and delegation head Muhammad Yazgi stated that the Moroccan journalists had "great hopes for cooperation with the Soviet journalists and for us it is most important to become acquainted with the experience of our Soviet colleagues".

CSO: 1807/189-P

END