

New joint initiative of the socialist countries

THE Conference on Disarmament resumed its work in the Geneva Palace of Nations on June 9. A joint document of the group of socialist countries, 'Basic Provisions of a Treaty on the General and Complete Prohibition of Nuclear Weapon Tests', was submitted at the first plenary session for consideration by its participants.

Submitting the document, Deputy Minister of Foreign Affairs of the USSR Vladimir Petrovsky recalled that the aim of pressing for a full prohibition of nuclear tests as a priority measure in stopping the development, production and perfection of nuclear weapons and in their reduction and liquidation was set at the recent meeting of the Political Consultative Committee of Warsaw Treaty member states.

By making the new proposal the socialist countries guide themselves by the striving to stimulate the undelayed opening of concrete full-scale talks at the Geneva multilateral forum. Their joint document can become a basis for such talks.

Banning nuclear tests

The Soviet Deputy Foreign Minister stressed that the banning of tests is an important independent measure in the field of limiting and stopping the arms race. It would be of major military, technical, political, legal and moral importance.

The proposed document puts within a single framework the positive capital accumulated over many years of joint work towards solving the problem of nuclear tests and also the new ideas that have appeared lately and proposals made by many other countries, first of all the six states from the four continents. At the same time the draft treaty is not simply a sum total of proposals but a qualitatively new document. Its content is imbued with the ideas and spirit of new political thinking which demands that diplomatic practice be brought in line with the realities of the nuclear-space age.

This is shown first of all by the way the question of control and verification is posed, Petrovsky went on. We believe that such control is absolutely necessary for the effective implementation of measures of genuine disarmament and confidence-building, especially in conditions of a dire shortage of such confidence. With a view to this the new document includes extensive control measures ranging from the announcement of test ranges to the participation of international

inspectors in verifying the non-holding of nuclear weapon tests at these ranges.

To ensure effective verification we propose to set up an institute of international inspectors, something that was not provided for either in the Soviet proposal on the treaty's provisions in 1982 or in the Disarmament Committee's tripartite reports made by the Soviet Union, the United States and the United Kingdom.

The reality and possibility of such forms of verification was clearly demonstrated by the joint experiment of Soviet and American specialists in Semipalatinsk.

The question of setting up an international network of seismic control is developed further in the document as well: seismic stations with standard characteristics, whose functioning would involve participation of observers from the international inspectorate, would become the basic component of this network. The fulfilment of this proposal would substantially facilitate the creation of a climate of mutual trust among states. Also serving this aim is the special section devoted to the international exchange of data on the radioactivity of air masses.

On-site inspections hold a crucial place in the system of verification that we propose. Vladimir Petrovsky said further. We see their aim as solving questions that give rise to doubt about observance of the treaty which cannot be removed by other verification measures envisaged by it.

The state in which the on-site verification is requested will be obliged unconditionally to provide access to the place stated in such a request. In other words, we are speaking not of voluntary but of mandatory inspections. Of course, the criteria and procedures for requesting an on-site inspection and verification, and for holding such inspections, including a list of the rights and functions of the checking personnel, are yet to be drawn up. But the Disarmament Conference can well cope with this work.

Besides, experience of other talks on banning nuclear weapon tests has also been accumulated in this field.

The content of the submitted document's concrete provisions shows once again that no problem of verification of compliance exists for us. We are for a thorough development of all the necessary concrete measures and in this respect are prepared to go as far as our partners are prepared to go.

We are prepared to discuss also other measures of verifying compliance with the treaty. In this connection the speaker again confirmed the Soviet Union's positive attitude to the proposals on this score that were made by the six states from four continents.

The Soviet representative noted further that the drawing of the Disarmament Conference into the practical process of working out the treaty on banning nuclear weapon tests in no way contradicts the ongoing bilateral Soviet-American talks on this question. On the contrary, this should shore up the bilateral efforts with multilateral ones — all the more so since the bilateral talks, regrettably, are marking time.

The Soviet Union is prepared to reach agreement on a gradual solution of the task of stopping nuclear tests by introducing interim limitations on the number and yield of nuclear

explosions. The announcement of a bilateral moratorium even now could be the first step. Although the USSR would prefer a complete moratorium, it is prepared to take into account the position of the United States and reach agreement with it on limiting test yields to one kiloton and to reduce the number of tests to the minimum. Now it is up to the American side to respond.

The Soviet representative stressed that as of now there are no obstacles on the road to stopping nuclear weapon tests other than the stubborn attempts by some Western powers to cling to the concept of nuclear deterrence. He noted the false, dangerous and deeply immoral essence of this concept. Nuclear deterrence is an expression of militaristic intentions in concentrated form, it stands for a relentless arms race, the perpetuation of international tension, antagonism and enmity, further militarisation of mentality, threat of nuclear proliferation, balancing on the brink of war, and an unreliable ersatz peace subjected to the destructive influence of fear and mutual mistrust — that is, everything with which this concept is imbued.

Disarmament

The new political thinking proceeds from recognition of the need for and possibility of a nuclear-free world in the interests of mankind's survival, and from the premise that relations between states should be regulated by political and legal mechanisms, international organisations, and bilateral and multilateral negotiating bodies.

The submission of the basic provisions of the treaty for consideration reflects our deep faith in the potential of the Disarmament Conference as a unique multilateral forum and our desire jointly with everybody who strives for disarmament not in words but in deeds to work to raise the authority and effectiveness of the Conference, Vladimir Petrovsky went on. Every small brick, even every small stone laid by the participants in the Conference in the foundation of the common edifice of security will be an earnest of its strength.

Honest, dedicated co-operation and co-creativity in the name of disarmament is especially important now when the moment of truth has set in, when the gaining of insight, freedom from the fetters of militaristic mentality, and pooling of efforts in the attainment of a nuclear-free and non-violent world are becoming a categorical imperative, the USSR Deputy Minister of Foreign Affairs said in conclusion.

The new document and the speech by the Soviet representative have generated much interest.

After his speech Vladimir Petrovsky held a press conference during which he dwelt once again on the main aspects of the joint document submitted by the group of socialist countries. He also drew attention to the new proposal by the Warsaw Treaty member states to NATO countries to hold consultations at which they could compare the doctrines of the two alliances, and discuss the existing imbalances and asymmetries in separate services and armaments and the ways of overcoming them. □

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The concept of acceleration: its politico-economic aspects

By S. Sitaryan

THE concept of acceleration of the social and economic development of the country has a starting and determinant significance for the scientific understanding and practical assessment of the revolutionary changes now occurring in our society.

The innovative character and the immense mobilising power of the concept of acceleration lie in that it contains a well-expressed historical perspective of the development of socialism, and a clear defined programme of practical actions aimed at achieving its qualitatively new state.

As a matter of fact, assumptions that socialism could progress to its more mature condition in a purely evolutionary way, through the simple accumulation of quantitative factors were prevalent in our theoretical outlook of the last twenty years. So it was no coincidence that the distinction of the various stages of development of our society was characterised exclusively by quantitative, dimensional evaluations. Whereas analysis of the deep-going processes that predetermine them was relegated to a back seat. Yet both research and historical practice constantly tell us that a socio-economic formation cannot be viewed as a frozen phenomenon subject to only evolutionary quantitative alterations. In its framework there take place radical shifts which predetermine the transition to a new qualitative stage of development.

This article attempts to highlight some of the questions relating to the main politico-economic features of the concept of acceleration in their indissoluble unity: the supreme goal of acceleration, its sources, and its ways and means of achievement.

New Quality of Growth — the Pivot of the Concept of Acceleration

In revealing the economic substance of this concept, it would be an extreme oversimplification to reduce it to a purely quantitative build-up of the pace of growth or to look upon it as only a policy aimed at overcoming the sharp slowing of the growth of the main indicators of the economy, above all the national income, that occurred in the seventies and the early eighties.

The notion "acceleration", representing a synthesis of the general meaning and purpose of the concept, is deeper and broader. In politico-economic terms it does not at all involve growth rates as such, but the attainment of a new quality of growth as today's only possible basis for imparting dynamism to socialism and the renovation of all its aspects.

The theory of economic growth and the methodology for its analysis require that there should be no separation of the pace of development from its sources and quality. Therefore it is primarily essential to determine which factors are being used to achieve growth: extensive or intensive. Further, growth rates reflect only the relative indicators of economic growth, yet in assessing its quality one cannot fail to take into consideration the process of the increase in "weight" of each percentage point, its composition and structure, the quality of goods, and their technical characteristics and consumer appeal. And, finally, of major significance is the sectoral pattern of social production, the composition and relationship between end and intermediate products.

Consequently, growth rates and the process of their formation are not a self-contained

phenomenon, but a result of the interaction of a whole series of factors and conditions, which ultimately determine the quality of economic growth.

Viewing from this standpoint the dynamics in economic growth of the USSR, it can be stated that on the whole it has been characterised by sufficiently impressive growth rates. At the same time one cannot but note that our movement forward was far from being uniform. The national income grew fastest in the years of prewar five-year plans. Its average yearly tempo in 1928-1940 exceeded 14 per cent. In 1945-1970 the figure stood at about 10 per cent, although downs marked individual years of this period.

Yet in 1970-1983 the average yearly rates of growth dropped to about half of what they had been. But it's not only the very sharp fall of this indicator that matters. The seventies witnessed an extremely negative trend of stable pace slowdown. Growth rates began to decline from five-year plan to five-year plan. Whereas in 1966-1970 the rate of growth of the national income was 7.8 per cent, it averaged as low as 3.6 per cent in 1981-1982.

It must be noted that both practically and theoretically the slowing of growth rates within a short-term planning interval is quite admissible if in the economy there takes place a structural and investment regrouping or a manoeuvre geared to their subsequent accelerated growth is being carried out. But, as practice has shown, the slowing of economic growth in a long-term planning interval is not only inadmissible, but also dangerous. Such a path of development means nothing but a narrowing of the economic foundation of expanded reproduction, because the decline of growth rates from five-year plan to five-year plan cannot be made up for by the increased "weight" of each per cent and inevitably leads to a reduction of absolute increments in the national income. In the Tenth Five-Year Plan, despite the rise in "weight" of one per cent of the national income compared with the Ninth from 2.8 billion roubles to 3.7 billion, the size of the absolute increment of national income shrunk as a result of the marked slowing of average yearly growth rates. This substantially limited the possibilities for simultaneously solving production and social tasks.

What is the nature of this process? Was it unavoidable? The profound and thorough answers to these questions, given in the documents of the April, 1985 Plenum of the CPSU Central Committee, the 27th Congress of the Party and the January, 1987 Plenum of the CPSU Central Committee, make it possible to draw quite definite conclusions. The decline in economic growth rates over the last several five-year periods was not inevitable. The increased scale of our production also did not fatally predetermine it, although a link between the scale of the economy and the pace of development does exist. But this link does not bear the character of a rigid simple dependence which would tie the slowing of growth to the increase in scale.

The gist of the matter does not lie in the scale of reproduction, but on what basis it occurs and through what factors the given rate of growth is achieved.

While not setting ourselves the task to analyse all the factors that determine the high rate of growth of the national income in the years of prewar and early postwar five-year plans, let us

note that the steadily widening extensive base for economic growth was decisive among them. The high rates were founded on the possibility of increasingly drawing into production all types of resources — labour and material — and maintaining the high rates of growth in capital investment. But by the 1970s the situation in the economy had begun to noticeably change. The possibilities for a quantitative build-up of extensive factors became increasingly limited, while the growth of intensive factors proceeded too slowly. The discrepancy between them broadened, rather than narrowed, and the depletion of extensive factors was not compensated by an appropriate rise in intensive, thereby predetermining the reinforcement of the process of a slowdown in the dynamics of national income.

Herein lies the root cause of the slowing of economic growth rates. It was compounded by the existing structure of social production and investment policy, which came into ever-increasing contradiction with the social aims of the development of our society, which, in turn, told negatively on the development of production itself and on its efficiency. In the context of increasingly dwindling extensive sources of growth, attempts to maintain the high growth rates inevitably relaxed economic requirements on the quality of output, its renewal, consumer appeal and technical level. This markedly lowered the extent of the return on production, the fullness in satisfaction of the growing requirements of society, and gave rise to disproportions and unproductive expenditure.

In the conditions when the potential for extensive growth has been exhausted, acceleration can only be achieved on a qualitatively new basis — the all-round intensification of production. Although speed-up on the old basis, through maximally tapping organisational-economic current reserves, as was the case in the last years of the Eleventh Five-Year Plan, within a particular span of time cannot be ruled out, such growth will only be short-term and unstable unless accompanied by a build-up of intensive factors. This is the clue to answering the question of ways for acceleration.

So what are the most important components of the new quality of growth?

First, the major reorientation in sources of production growth from mainly extensive to intensive, with a view to giving them a determinant role in the economic build-up; second, the maximum emphasis on scientific and technological progress, its inexhaustible, revolutionising potentialities for the restructuring of production and for resource-saving; third, the achievement of a radical shift in the technical characteristics, cost effectiveness and consumer appeal of output determining a qualitatively new content for social product and the national income; fourth, a sharp change in the composition and proportions of social product based on ever-increasing maximisation of end products and the reduction in share of intermediate products; fifth, the consistent and mounting orientation of social production towards realising its supreme goal by harmonising the sectoral pattern of the economy; and finally, sixth, the all-out activation of the human factor, its reproductive role as a considerable source of economic growth.

Of course, all these ingredients are internally interrelated. And only comprehensive transformation of both the sources of growth itself and the quality and structure of production, and the full-scale use of such powerful engines of modern

progress as science and the human factor can provide the new quality of growth that will impart to the acceleration process a stable and mounting character.

It has been launched by the Twelfth Five-Year Plan which is called upon not only to break the negative economic growth dynamics that have developed in the past, but also to place it into the trajectory of the new quality of growth.

Economic Management Reform, Main Condition for Acceleration

The shifting of the economy into a new qualitative state is an involved and contradictory process. In order to accomplish it, a powerful economic-organisational impulse is needed that can overcome the inertia of the established mode of development and remove the factors that act as a brake on it. The concept of acceleration not only gives scientific substantiation for the need of a new quality of growth, but also determines the ways and means for its achievement. Decisive among them are the reform of the economic mechanism and an all-out democratisation of the entire process of management, which are designed to wipe out the methods and forms of planning and economic activity preserved for decades and replace them with new ones that will correspond to the intensive type of economic growth.

Considerable work has been done in implementing the reform over a relatively short period of time. It began with the core unit of the national economic complex — enterprises and associations — and encompasses ever new branches of the economy and levels of management. We must especially stress the importance of the elaboration of a draft Law on the State Enterprise (Association), called upon to lay the basis for a coherent system of management, predetermine in many ways the overall direction and pace of the changes planned, blend the new commercial mechanism into our economic system and make this process irreversible.

Nevertheless, we are still at the beginning of the road. It is therefore essential to concentrate on a deeper elaboration of the fundamental problems of the theory and practice of socialist management. Empiricism and pragmatism may prevail in the course of further transformations without this, disturbing the internal harmony in arrangement of individual elements of management both vertically and horizontally, their overall nature and their purposefulness. We must be particularly aware of this now that the restructuring process is in movement from the old to the new and the tempo, scope and depth of changes in individual spheres and at different levels of management do not always coincide, which creates certain difficulties and contradictions in the practical realisation of the steps outlined.

It is known that in broad politico-economic terms the problem of management under socialism ultimately comes down to an optimal blend of the interests of society, the production group and the individual. Reviewing the whole gamut of changes occurring in the country since the October Revolution, it can be concluded that our society has been invariably and intensively searching for the best model of a set-up for economic management that would most fully consider the interests of society, the production group and the individual and find their rational mix.

Depending on the tasks facing the country and the depth of penetration into the very essence of socialism as a socio-economic system, the complexion of this model, the measure of optimisation of interests were, of course, far from identical. But each time with the rise of difficulties and twists in the development of the economy, when the search went on for new approaches to management, we one way or another faced the confounding issue of interests, clearly aware that in the disarray of the

mechanism of their relationships lay the deep causes of the negative processes.

For all the diversity in methods, tools and levers for the optimisation of the system of interests, their practical action largely turns on the solution of two fundamental, mutually related questions of socialist economic management: the balance of centralism and democracy in the running of the economy and the so-called problem of plan and market.

Democratic centralism as the principle of socialist economic management is immutable. It objectively flows out of the nature of socialism and the character of its production relations. But the question of the extent of combining the two elements of this principle and of the methods of their expression and realisation was and remains very urgent in socialist theory and practice. Historically, a mobile distinction has existed between them. However, centralism always prevailed; optimum in the system of management proceeded from its indisputable primacy.

Assessing the overall course of the drastic management reform, we can claim that this distinction today is shifting towards the democratic element: the measure of expansion of the rights of enterprises, associations and local authorities, provided for by the intended changes, is the highest in the entire prewar and postwar history of the Soviet economy. At the base of the optimisation of the model of democratic centralism lies the criterion of ever greater autonomy of the primary units of the national economic complex while maintaining the centralised elements of economic management as a whole.

But this is only the quantitative aspect of the problem of democratic centralism, reflecting the extent of a changed relationship between its elements. More essential and basic today is its qualitative aspect, which reflects the methods of implementing these elements and the mechanism of their "coupling". More specifically, it is a question of which methods — pre-eminently administrative or commercial — underlie the realisation of this principle and what its politico-economic content is. Experience shows that the measure of optimisation of the centralised and decentralised principles in the management system and the choice of a criterion for this purpose ultimately depend on this.

We know that the distinction between centralism and decentralism may shift (there were such instances) also in the framework of the administrative methods of management. But such changes have bounds which practically cannot be overstepped in the conditions of administrative methods of management. Preserving its foundations, it is impossible to secure a real expansion of cost accounting rights. Consequently, a radical reform of the economic mechanism in present-day conditions is unthinkable without a drastic changeover from administrative to commercial methods of management. We can say that this shift must in the end determine the essence of the reform and its thrust.

In politico-economic terms, commercial methods (without going into detailed characterisation of all their elements) are more able to optimise economic interests than the administrative methods, under which the decisive function in management and economic activity at all levels rests with a highly detailed system of centrally approved targets that actually regulate in direct fashion all the sides of the production-financial activity of enterprises and associations. Therefore the shift to commercial methods envisages not only a major overhaul of the entire set of tools of planning and economic activity, but also, most importantly, the consistent introduction of the new methods on all levels of management: in the primary sector — at enterprises and associations — and at sectoral and national level.

We cannot accept as correct the point of view

that boils down to asserting that different levels of management can rest on different methods of leadership. For example, the centralised elements can only rest on administrative methods, whilst the decentralised rest on commercial. Such a division of the single system into zones with different management methods, which supposedly can well coexist, theoretically is unsubstantiated and practically dangerous. Sooner or later, this will lead to a winding down of the commercial methods under the dominant impact of administrative, coming from above.

The first and principal condition for shifting economic management to commercial methods is therefore the securing of the all-inclusiveness of this process, so that they embrace all the sectors and levels of economic guidance.

Economic theory and practice during the large-scale experiment and especially now have advanced far in understanding the need and defining the overall thrust of the process of heightening the democratic principles in management, expanding the limits of economic independence of enterprises as socialist commodity producers, and enhancing their role and responsibility in the economic life of the country. The evolutionary logic of this process has led to an idea of enterprise self-support and self-financing as the most coherent form of realisation of the principles of cost accounting at this stage. The idea today is very concrete in outline. A practical cost accounting mechanism has been created. As to the upper levels of management, and above all ministries and national economic bodies which basically represent centralised guidance, and its methods and forms, here there is no definitive clarity yet about the nature of the forthcoming changes, a quest is on, and discussions are being conducted. But the general scheme is clear: the centralised element cannot be subjected to "erosion", for one of the great advantages of socialism will thus be lost. It must be filled with new content, and take different forms and organisational structures.

Theoretical attempts to downgrade the idea of centralism in socialist economic management and to weaken the State Planning Committee's role as a leading unit can do irreparable damage. While not questioning the just criticisms of central economic bodies, we must not forget that a systematic and balanced functioning of our economy as a single entity, its purposeful development, requiring coordination of actions of all the sectors, and, finally, the effective work of the mechanism to run public property basically cannot be secured without centralism in the socialist economy. It is therefore a question of measures and forms of its exercise, the functions of national economic bodies, and a major overhaul of their activity in which administrative orders still dominate, but in no way of the abolition of these functions. The most important thing is that they should be performed by commercial means and integrally linked with the system of functioning of primary units along the lines of full cost accounting and self-financing.

Introducing a system of economic standards and state orders in the practice of incentives and planning is the best way to solve this problem. They are called upon to become the pivot of the new economic mechanism and transform the entire technology of plan drafting to a considerable extent.

Another prerequisite for a coherent economic system is the dove-tailing of all its elements and units. This thesis is based on an interpretation of practice, of our own experience. The system of management established in the 1930s and the 1940s had its economic logic and was characterised by an inner unity and balanced character of all its elements and components, from top to bottom. In fact, all its threads of management went upward, and the centralised plan contained the complete system of indicators and targets fixing the volume and range of production, capital investments, contract work

limits and those for material expenditures. This means that not only were the parameters of growth planned, but their financial support and the sale of products were guaranteed. And all the subsequent work of the managerial set-up was simply a step-by-step concrete breaking down of these targets and indicators by enterprises and supervision over their fulfilment. The rigid system of supplies quotas also fitted in with this, as it realistically backed the plan with resources. There were also the pre-eminently budgetary form of financing all expenditures, and the highly centralised system of price formation and wages.

It was these elements that the system of management based on administrative methods was made up of.

Therefore preserving any of them in the new system in the old form will inevitably disrupt the coherence of the system. This means that the adoption of the new methods and techniques for drawing up a plan as starting points to restructure the whole of management should be backed up with appropriate systems of supplies, financial relations, price formation and wages.

A comprehensive scientific elaboration of the entire set of these problems largely depends on the correct understanding of the interaction between central planning and commodity-money relations or the plan-market relationship.

The documents of the 27th CPSU Congress and the January, 1987 Central Committee Plenum have defined fundamentally important, starting positions in understanding the nature of commodity-money relations.

Judging socialism by experience, as Lenin taught us, rather than by books, it can be asserted that except for the period of war communism, in spite of all the discussions and incantations, commodity-money relations have been an actuality of our economic life, because their sources lie in socialist production relations and are not brought from outside by someone's evil intent. Socialism with its planning and the prevalence of public ownership of the means of production has not removed them, but has only imparted to them a new content, and the problem was and remains how to understand the character of the functioning of these relations, master them, and effectively control such categories as price, profits, finance and credit. This is especially important now, because the shift to the commercial methods of centralised guidance and the principles of full cost-accounting and self-financing will be largely determined by achievements in elaborating new approaches to the entire system of price formation, increasing the role of profit in the system of plan and self-financing, expanding the sphere of activity of other value levers and tools and developing the wholesale trade in capital goods.

As we look for new solutions, it is necessary to more deeply interpret our own experience and perceive clearly the qualitatively new tasks to be solved in the course of reform. In the search for an answer to many questions there were too often attempts to include directly in the current economic mechanism the practice of using the commodity-money relations of the times of the New Economic Policy. For it was then that, so the argument runs, the most successful dovetailing of plan and market was achieved. Of course, the principles that underlay the NEP require careful study and use. But the big point is should we mechanically transfer the previous approach to the solution of the plan-market problem to present-day conditions. At that time there could have been no talk of plan in the form we have it now, because plan as such did not yet exist, it was just beginning to take shape, economically and organisationally. The problem of the plan-market relationship then lay elsewhere and was being solved on a different plane. In view of the undeveloped state of planning principles in the economy, and the absence of the new instruments adequate for the ideology of planning, state planning influence on the

economy was exerted mainly by using commodity-money and, above all, financial and tax tools, which acted on the goods producers, on the market and on price formation by restricting spontaneity, then inevitable, and directing the mainstream of economic growth into the channel of socialist construction. The very social pattern of the economy was different, multiform. Unity and interrelationship of its particular forms could only be achieved by organising commodity-money exchanges between them. All this in its entirety determined the great significance which the mastering of the commodity-money tools of economic management and Lenin's persistent call to learn the art of trading had at that time. The accumulated unique experience of that period still presents an enormous theoretical and practical interest. But the economic situation now differs. The principles of economic planning have become dominant, plan as an economic-political category has acquired universality and received its own tools, including both direct and indirect methods of influence on the development of the economy and the activity of enterprises and the regulation of the overall course of the process of reproduction, its tempo, proportions and structure. Under these conditions, the problem of plan and market is fundamentally different and requires new approaches to blend their functioning as part of a single system of economic management. We can name the following most important problems (in our view), the practical solution of which is largely determined by a correct interaction of plan and market, central planning and commodity-money relations.

First of all, it is ensuring at macro-level the balance in physical and value proportions of social production as the major condition for the planned development of the process of expanded socialist production. Second, a substantial enhancement of the role of price as a reliable yardstick of socially needed expenditure and the results of production in conditions of self-financing; the heightening of its regulating functions in the achievement of a well-balanced demand and supply both on the producer and consumer goods markets as one of the means to augment the role of the rouble and its solvency. Third, achieving the necessary relationship and coordination in movement of the cash and material resources of enterprises and associations as an essential prerequisite for applying the principle of self-financing in practice. Fourth, the development of new, more perfect approaches to forming a system of economic standards that flexibly combine the requirements of central planning and the law of value. Fifth, cardinally expanding the sphere of contractual forms of relations between enterprises and higher bodies in the process of plan elaboration, product sales and the development of wholesale trade.

Such are some of the problems whose solution calls for the interaction of plan and market. No less important is, for example, the choice of new tools of influence with the aim of meeting the plan targets under the system of intensive methods of economic growth.

As experience shows, these methods, while possessing a tremendous potential for accelerating economic development, at the same time have a certain element of unpredictability and uncertainty. For economic development under the new quality of growth takes place chiefly through resource-saving and economising, whereas extensive growth is ensured by a direct build-up of resources.

In the former case, the economy's growth is directly associated with the pace and scale of technological progress; in the latter — this link is less rigid — it is based mainly on a physical increase in the resource backing for the plan. Therefore, it is one thing when the plan, especially a long-term one, aims at a real increment of, say, rolled stock, and quite a different economic situation may obtain when, for example, 70 per cent of the increase in the

demand for rolled stock must come out of economies, understood in the broadest, modern sense of the word. In order to achieve them, we need indirect as well as direct financial-price methods of influence through plan on producers and consumers.

The ways of solving the problems of our economic growth I mentioned are now ever more clearly perceivable, and this finds reflection in the specific measures that are shaping the new economic mechanism. Economic science must help production operatives to achieve the aims set by the reform.

Supreme Goal of Acceleration — The Growth of Public Welfare

In studying the theoretical principles and methodology for the concept of acceleration, one cannot fail noticing its express and consistent social thrust. The purpose of the concept ultimately comes down to achieving a new quality in the realisation of the supreme goal of socialism: higher living standards for the people and the harmonious development of the individual.

The problem of heightening the social thrust of the economy covers a broad spectrum of questions. We can single out two major ones among them: the need to rearrange structural policy, and the streamlining of the distribution mechanism.

Socialism is the first social system that subordinates production directly to the growth of the people's well-being. This thesis is borne out by the entire course of development of our country and other socialist states. But it is also clear that this link is mediated by structural and investment policy, which ultimately determines the ratio between the first and second units of social production. Consequently, the overall growth of production by itself does not yet fix the pace and scale of the increase in goods and service consumption. They are linked with the development of the branches which work directly for the individual, the satisfaction of his requirements, that is with the second unit. This is why changing production structure and the whole investment policy, speeding up the growth of the second unit, in industry the Group B branches, agriculture, the non-productive sphere, the services and, of course, raising their cost-effectiveness are the principal material base for enhancing the social thrust of production.

The Twelfth Five-Year Plan and targets for the period till 2000 envisage the shift in structural policy that must reinforce the social thrust of the economic development and raise public well-being to a qualitatively new level. Without going into specific characterisation of the outlined measures, we shall note that the process of a social reorientation of the development of the economy is directly linked with our theoretical perceptions of the ratio between the first and second units of social production under socialism. These perceptions, which took shape in the early stages of our economic development, bore the obvious imprint of dogmatism. They in no small measure served as a "scientific" basis for the residual method of planning for the social sphere. The fact is that, while profound in aim and content, the law of growth priority for the first unit over the second as an important material prerequisite for ensuring expanded reproduction was formally hypertrophied and reduced completely to quantitative, rate-of-growth interpretations. Without placement in the specific historical context, and ignoring the real scope of social production, absolutely faster growth for the first unit, the Group A industries compared with the second unit, Group B, was recognised as the sole criterion for the strict operation of this law. And although the pressure of life later forced practice to take a different path, the established stereotypes engendered the half-heartedness and inconsistency of adopted plan decisions.

Overcoming these shortcomings is one of the urgent tasks facing economic science. The abrupt structural regrouping of the economy is dictated not by temporary considerations of expediency, but by the logic of socialist development, its vital and objective requirements at this stage. A comprehensively developed socialist economy is unthinkable without a harmonious structure of social production. This means that, apart from a powerful heavy industry, it must possess a highly developed complex of all the branches that produce goods and services for the population, and a ramified system of social infrastructure. And the ratio between these units of social production, between these spheres of the economy must be fixed not by quantitative parameters set *a priori* and theoretically far-fetched, but by objective interrelationships and proportions, dictated by the possibilities and requirements of expanded reproduction and its overall purpose.

Planned guidance of this process, as experience shows, is not a simple task. Unlike inter-industry, and the more so intra-industry proportions, which bear the character of rigid technological and natural ties, general economic proportions are more elastic, they are mediated by value relations, and therefore their balancing is a more difficult and crucial job. Yet the economy's overall proportionality may be impaired without solving this problem. Consumption, as Lenin wrote, is one of the elements of proportionality. This applies even more to a socialist economy. The widening gap between the increasing human requirements and consumer goods production, between effective demand and the supply of goods and services is nothing but a reflection of the disarray of the internal links of the economy and the manifestation of one of its major disproportions. Therefore overcoming these processes and deepening the social thrust of economic development are one of the chief demands of acceleration strategy and an indispensable condition of the achievement of a new quality in the growth of well-being for the Soviet people.

Other conditions being equal, the social effect of a structural regrouping of social production will be the higher, the more perfect is the distribution mechanism of socialism. The view that with the growth in volume of consumer goods and services the problem of their distribution becomes simpler is hardly defensible. On the contrary, it paradoxically gets more complex and requires new approaches to

the solution of tasks the answers to which formerly appeared to be simple. We think that the problem of a distribution-social justice relationship under socialism needs the closest attention in politico-economic terms. Focused in it are all the other questions of social policy forming together the basis that is to activate the human factor as the main driving force of socio-economic progress.

The question of social justice and equality is not new. But Marxism alone gave a scientific answer to this vital problem. The essence of the answer is that its root cause lies in the nature of economic relations, in the process of the production and distribution of goods and services. It is the detachment of social justice from the material base that gave rise to the teaching about a roughly egalitarian distribution in the future society, though we must appreciate the noble motivation and civic courage of the authors of the first socialist ideas. The moral force of these teachings is so great that even today, centuries later, when socialism not only has acquired a scientific foundation but is a reality, levelling is still a pervasive idea, it makes its way in practice, disrupting the organic link between the measure of labour and the measure of consumption.

Equality in consumption in its ultimate, true, economic meaning is distribution according to need, which is only achievable under communism. Here as the measure of consumption acts its natural criterion — need itself. Under socialism, an individual's labour, its quantity and quality can be an economically justified and socially equitable measure of consumption. This is the essence of socialist equality, which, to use Marx's phrase, is measured by an equal measure, that is by labour. Consequently, the solution of the problem of social justice in the material sphere under socialism lies primarily in the consistent realisation in practice of the principle of distribution according to work, a radical improvement of the entire system of pay organisation. As is well known, important practical steps are now being taken in this direction.

Implementing these measures, naturally, gives the mechanism for realising the socialist principle of distribution according to work a more consistent character and so makes people's remuneration more equitable. Here it is very important to abandon the artificial restrictions in

pay for work which are, in fact, nothing but a variety of wage levelling, infringing primarily upon the interests of the workers who can and want to work better, and holding up the growth of productivity.

The activation of the distributive mechanism at this point cannot be limited to streamlining the wage system. It must inevitably permeate the social consumption funds. Their share in the overall volume of consumption of material and spiritual goods amounts to over a third. For this reason the problem of forming, distributing and using them cannot fall out of the range of the general aims and tasks of social and economic development of the country. We shall name three major areas in which it is not only possible but necessary to raise the socio-economic effectiveness of the social consumption funds.

First, the entire planning procedure for their distribution should be placed on standard principles, the elaboration of which must be done on a reliable scientific basis. This will help to overcome the unjustified mixed character in consumption of social boons by individual regions of the country and at the same time to resist the temptation of mechanical levelling based on the criterion of the actually existing minimum. Second, it will involve a more consistent and broad decentralisation of the process of forming and using individual types of social funds, dictated by the shift of enterprises and associations to the principles of full cost accounting and self-financing. This line makes it possible to link the social development of work collectives to the results of their work and thereby activate the possibilities of inducement contained in the social funds of consumption. And, third, to make the interaction of the system of paid and charge-free services more flexible and rational. This will enable working people to a greater extent than is now possible to satisfy not only their material but also a number of social needs by using their own personal incomes and thus to increase the stimuli for earning them.

Such are some of what we consider topical issues relating to individual politico-economic aspects of the concept of acceleration. Their further, more profound and comprehensive study will help us to more confidently and purposefully advance along the path of restructuring, of the practical realisation of the strategies of the 27th CPSU Congress. □

(*Kommunist*, No. 7. In full.)

The inexorable march of time

By Eduard Baskakov, *Novosti* analyst

IT SEEMS that the well-known American saying "time is money" can be interpreted in many different ways. The NATO countries spend over a billion dollars a day on their military needs, and these staggering sums of money of which mankind is virtually robbed are finally turned into super profits pocketed by the big wheels of the military-industrial complex. In the meantime, the annual budget of the World Health Organisation is equivalent to a sum that the arms race swallows up within three hours. But this is by far not the most discouraging thing. Much worse is that growing rivalry in the arms race inexorably pushes mankind to the sinister threshold beyond which there lies a nuclear-missile holocaust. It is high time to realise that time is life. Even

if a fifth of all nuclear charges stockpiled on the Earth (their aggregate capacity has reached 60 billion tonnes and continues to grow) is used in a war, human civilisation will cease to exist.

For that reason time must be treasured, and for that reason it would be in place to recall here that June 11 will mark a year since the participants in the Budapest meeting of the Warsaw Treaty's Political Consultative Committee called on NATO and all European nations to cut their armed forces and conventional armaments. By offering such a programme they refuted the far-fetched Western argument to the effect that the Soviet Union worked for the complete elimination of nuclear weapons to gain superiority in conventional forces. Sadly, that balanced programme proposed by the "socialist seven" was turned down by the NATO strategists, and the past year has been wasted irretrievably. If it had not been wasted, armed forces reductions could have well proceeded by now from the Atlantic to the Urals. That long

cherished process could have been effectively controlled by an international commission consisting of NATO and Warsaw Treaty representatives as well as those of other countries involved. If that had been the case, it would have most probably paved the way for a nuclear arms accord.

Abiding strictly by the idea of disarmament, the Warsaw Treaty member-states reiterated and specified their position at the recent meeting of the Political Consultative Committee in Berlin. After stressing their invariable adherence to a defensive military doctrine, they again called for earliest nuclear disarmament measures, and first of all for the elimination of all American and Soviet medium-range missiles in Europe, for the liquidation of chemical weapons and for cuts in conventional forces based in Europe. And again mankind has to watch with a mixed feeling of hope and anxiety the inexorable march of time.

On the one hand, it seems that the ice has been broken at the Soviet-American negotiations on nuclear and space weapons in Geneva. The parties to the negotiations have finally produced

(Continued on back page)

Eduard Shevardnadze's meeting with Indian Minister of External Affairs

EDUARD SHEVARDNADZE, Member of the Political Bureau of the CPSU Central Committee and Foreign Minister of the USSR, met Narayan Dutt Tiwari, Indian Minister of External Affairs, on June 5.

Tiwari is heading an Indian delegation to the 11th session of the intergovernmental Soviet-Indian Commission on Economic, Scientific and Technological Co-operation, currently under way in Moscow.

It was observed during the conversation that Mikhail Gorbachev's talks with Rajiv Gandhi in New Delhi in November 1986 and the Delhi Declaration on Principles for a Nuclear-Free and Non-Violent World substantially expanded the possibilities of Soviet-Indian co-operation in international affairs.

Good groundwork was established for transferring Soviet-Indian economic, scientific and technological co-operation to a qualitatively new level to meet the tasks of accelerating the USSR's social and economic development and modernising India's economy.

It was pointed out that the declaration signed by the Soviet and Indian leaders was implementing a new mode of political thinking. It offers new approaches to the solution of urgent problems of the nuclear and space age and shows the realistic path towards strengthening universal peace and international security.

Considering the implementation of agreements reached at the Soviet-Indian summit in New Delhi, the sides expressed satisfaction with the noticeable invigoration in recent months of Soviet-Indian co-operation in all directions.

They expressed the mutual confidence that the forthcoming meeting between Gorbachev and Gandhi in Moscow in July this year will further promote friendly Soviet-Indian relations.

The ministers discussed some international problems of mutual interest. They stressed the urgent need to pool the efforts of all nations, large and small, developed and developing, to improve radically the political climate in the world.

They pointed out the importance of practical steps towards nuclear disarmament, the organic interrelationship between disarmament and development and the need for settling regional conflicts by way of talks.

The conversation was held in a friendly atmosphere that invariably characterises Soviet-Indian meetings. □

Joint Soviet-Libyan Statement

THE USSR and the Libyan Jamahiriya have condemned the US-Israeli strategic alliance and reaffirmed their determination to carry on the struggle for reaching a just and comprehensive Middle-East settlement, says a joint Soviet-Libyan statement. It was issued in Tripoli on June 7 on the results of an official visit to the Socialist People's Libyan Arab Jamahiriya of the delegation of the USSR Supreme Soviet led by Arnold Ruetel, Vice-President of the Presidium of the USSR Supreme Soviet. Both sides have declared their support for the fight of the Arab people of Palestine for

ensuring their legitimate rights, including their right to the creation of their own state.

Representatives of the General People's Congress (GPC) of the Socialist People's Libyan Arab Jamahiriya expressed the conviction that the Soviet Union's consistent policy in the international arena in support of the national liberation movement accords with the vital interests and aspirations of the freedom-loving peoples.

The Libyan side has declared its support for the Soviet peace initiatives aimed at eliminating nuclear weapons, in the first place medium-range missiles of the USSR and the USA in Europe.

The sides have strongly condemned the US Administration's ambition to place weapons in outer space. They have stressed that the US SDI

programme is a source of threat to the whole of humanity, which necessitates counteraction to it.

The sides have also discussed problems pertaining to terrorism and violence in international relations, which are used by the imperialist circles to flout the freedom, sovereignty and independence of countries and peoples.

They have condemned terrorist activities and stressed the possibility of rallying closely all peace forces for countering the policy of state terrorism, supported the idea of convening an international conference under UN aegis to give a definition of terrorism and the difference between it and the national liberation struggle of peoples.

The participants in the meetings and talks have again reiterated the need for the speediest end to the Iraq-Iran war. The continuing war is used by the imperialist forces to build up their military presence in the Persian Gulf and create conditions for interference in the internal affairs of the states situated there.

The Soviet Union and the Libyan Jamahiriya favour the turning of the Mediterranean into a zone of stable peace and co-operation. The Libyan side has reaffirmed support for the Soviet initiative on the withdrawal from the Mediterranean of the US and Soviet navies.

The Soviet and Libyan representatives have condemned the escalation of tensions near Libya's southern borders, which has been caused by the imperialist interference in Chad. The need has been reaffirmed for the speediest political settlement of the Chadian conflict by the Chadians themselves within the OAU framework. □

Kashlev: Vienna follow up meeting

SPEAKING at a full-scale session of the Vienna follow-up meeting on June 5, the leader of the Soviet delegation urged the Western participants to intensify their work and stop dragging their feet so as to hammer out possible accords.

Yuri Kashlev also called attention once again to the documents adopted by the Political Consultative Committee of the Warsaw Treaty members at its meeting in Berlin, which express resolve to make every effort to assist a successful conclusion of the Vienna Forum with the adoption of substantive and balanced decisions facilitating real progress towards disarmament and stronger trust among the countries participating in the Conference on European Security and Co-operation.

The socialist countries at the Vienna meeting have tabled more than ten proposals on security matters, whose realisation would make it possible to lower the level of military confrontation in Europe and reduce the risk of outbreak of an armed conflict.

The NATO countries have been demonstrating their unpreparedness for serious talks on this issue of vital importance to European nations. The NATO members have not made a single proposal on the military aspects

of European security to this day.

At informal consultations in Vienna between representatives of the Warsaw Treaty Organisation and NATO on cuts in armed forces and conventional armaments in Europe from the Atlantic to the Urals, efforts to work out the mandate for the future talks have likewise been artificially slowed down.

Things have been moving slowly also in the other groups of the Vienna meeting, which are concerned with the issues of economic, commercial, scientific and technological co-operation and humanitarian matters.

The leader of the Soviet delegation said NATO representatives have even been rejecting editing work on proposals they themselves have submitted.

The Soviet delegation held a news conference on June 5, in which it was stressed that the obstructionist line of some Western countries was aimed at stalling the all-European forum. By sidestepping the more important problems of security, disarmament and co-operation, the United States and some of its allies have been out to lead the meeting away from the urgent problems worrying Europe today.

All this, it was pointed out at the news conference, is a cause for concern and raises doubts about the sincerity of statements by Western representatives about their commitment to European co-operation. □

At the USSR Ministry of Defence

IN accordance with the Soviet leadership's decision and by agreement with the Government of the Mongolian People's Republic, the earlier announced return of one motorised rifle division and several individual units (from among the body of Soviet troops which are temporarily on Mongolian territory) from Mongolia to the Soviet Union has been completed. □

(Moscow, June 8, TASS)

WARSAW TREATY:

International economic order

Here follows the full text of the document "On Overcoming Underdevelopment and Establishing a New International Economic Order", adopted at the meeting of the Warsaw Treaty Political Consultative Committee in Berlin on May 28-29:

1. Attesting to the further deterioration of the world economic situation and the preservation of international tension and taking into account the disastrous state of the economy of the developing countries, the Warsaw Treaty member states have thoroughly studied problems of overcoming those countries' underdevelopment, the causes of the absence of progress in establishing a new international economic order and ways of resolving these problems.

Being deeply convinced that the development problems are closely inter-connected with questions of strengthening peace and international security, including economic security, and disarmament, the Warsaw Treaty member states note that the international situation has not favoured so far the improvement of international economic relations and the normal socio-economic development of all countries, especially developing ones.

International tensions have seriously grown over the recent years as a result of the escalation of the arms race, above all the nuclear arms race, the course towards confrontation pursued by imperialist quarters, especially American, their striving towards military superiority, their position-of-strength policy, "neoglobalism", interference in internal affairs, encroachment on the national independence and sovereignty of states, and direct military provocations against developing countries.

All countries, irrespective of their size or differences in socio-economic systems, are called upon to play their part in the search for realistic solutions that could end and reverse the nuclear arms race and reduce world tensions.

The Warsaw Treaty member states believe that practical steps to reduce arms and bring about disarmament should be an indispensable condition of preserving peace, improving the international situation and successfully solving the acute economic problems confronting mankind.

Realising the programme for reducing and completely eliminating nuclear and other weapons of mass destruction by the end of the century, put forward by the USSR and supported by all other countries participating in the Warsaw Treaty, preventing an arms race in outer space, putting an end to nuclear testing and implementing the programme for cutting back armed forces and conventional armaments in Europe, suggested by the Warsaw Treaty member states in their Budapest Address to the NATO member states and all European countries, as well as other initiatives by the socialist nations reflecting their comprehensive approach to the issues of disarmament, would make it possible over a short time to achieve a breakthrough for the better in international affairs and provide a reliable basis for the further social and economic progress of all countries, including developing ones.

Proceeding from the fact that there is a close relationship between disarmament and development and that only disarmament can release vast additional resources for overcoming economic backwardness, the Warsaw Treaty member states stand with all resoluteness for concrete measures in the field of disarmament to be accompanied by corresponding cuts in military

spending.

The material, financial, human and scientific resources released in this way should be used to expedite the economic and social progress of the corresponding countries as well as to abolish economic backwardness in various parts of the world.

Each step along the path of limiting arms and promoting disarmament, in particular that of eliminating nuclear arms, should result in the release of additional funds for development.

Much significance belongs in this connection to the holding, in keeping with a UN decision, of an international conference on the relationship between disarmament and development. This conference should facilitate the cause of disarmament, the removal of the threat of nuclear war and the development of all countries of the world.

2. Reaffirming their position on the issues of overcoming underdevelopment and establishing a new international economic order, recorded in the declaration "The Preservation of Peace and International Economic Co-operation" and other documents of the economic conference of the CMEA member countries at summit level in June 1984, as well as in subsequent joint documents, the Warsaw Treaty member states declare their support for the charter of economic rights and duties of states, the declaration and programme of action for establishing a new international economic order and the Harare Economic Declaration of Non-Aligned Countries, and they call for realising these documents in practice.

Advancing a concept for international economic security, the Warsaw Treaty member states proceed from the fact that it does not replace the fundamental decisions and documents already adopted by the UN General Assembly on the issues of rebuilding international economic relations and establishing a new international economic order.

It is called upon to provide an impetus for the search for common elements in different approaches to resolving world economic problems and strengthening trust in international economic relations.

The Warsaw Treaty member states analysed measures which would secure improvements in the international economic situation, the restructuring of international economic relations on an equal and democratic basis and the establishing of a new international economic order with a view to ensuring equal economic security for all states, guaranteeing the fast progress of all countries, especially developing ones, and facilitating broad access to the achievements of modern science and technology.

3. The Warsaw Treaty member states believe that underdevelopment is a result of the colonial exploitation to which developing countries were subjected for a long time. The emergence after the Second World War of new independent states was a process of special significance to the free and independent development of peoples that had been under colonial domination.

Many of those states continue to be subjected to exploitation in its neo-colonialist forms at present as well, which has tended to worsen their position in social and economic terms. At present the system of imperialism continues to exist in large measure due to the plundering of developing countries and their most ruthless exploitation.

Transnational monopolies and financial capital have stepped up the exploitation of developing countries in Asia, Africa and Latin America especially over recent years, putting on them the brunt of the world economic crisis and thereby slowing down their social and economic development.

The continuing currency-and-finance crisis, the policy of high lending rates, the outflow of financial and human resources from developing countries, and the unequal trading relations practised by developed capitalist countries are among the main reasons behind this situation.

The stands of industrialised capitalist states demonstrate a continued policy of preserving the dominant positions of financial capital and imperialism and a disregard for the interests of other peoples, particularly those of developing countries.

At the same time the continued intensification of the arms race, including attempts to extend it to outer space, leads to the waste of enormous financial, material, human, scientific and technological resources that could otherwise be used to accelerate social and economic progress in all countries, in the first place developing ones.

4. The Warsaw Treaty member states believe that without taking decisive measures to prevent a further deterioration of the position of developing countries and overcome underdevelopment it is impossible to ensure economic and political stability and world peace.

There is an urgent need for fundamental changes in the manner of political thinking and international practice, a fair international division of labour and the exercise of inalienable sovereignty over national natural resources.

Solutions to the sharp and complex problems of developing countries and to the issue of overcoming underdevelopment can only be really achieved through establishing a new international economic order and ensuring economic security for each state in the framework of a comprehensive system of international security.

5. Foreign debt at present has become one of the acutest problems for many countries, most notably developing ones. This problem is a heavy consequence of colonialism and neo-colonialism and at the same time a factor complicating international life. It has acquired a truly global nature, gone beyond economic frameworks and has obvious political connotations.

The exploiter crediting policy of Western states and trading terms unfavourable for developing countries have made for the debt of developing countries, which exceeds one trillion dollars. Payments for settling the debt at present devour up to one-fifth of the accumulation fund and up to one-third of the export revenues of developing countries. It is this policy that is to blame for the colossal growth of their foreign debt.

The relentless growth of the debt goes together with a general crisis in the international currency system. The use of the debt has become part of imperialism's strategy with regard to developing states. This debt is a direct consequence of the escalation of the arms race by the West.

There is a direct relationship between effectively resolving the problem of developing countries' foreign debt and establishing a new international economic order. A radical solution to the debt problem is possible first of all

along the lines of restructuring international economic relations on just principles and effecting disarmament for development purposes.

The Warsaw Treaty member states are for putting international currency-and-finance relations in order, for these relations not to be made a tool for political pressure and interference in internal affairs, and for a just settlement of the debt problem.

They view the problem of developing countries' debt as a comprehensive one both in its sources and in its economic, political and social consequences.

The Warsaw Treaty member states believe that the foreign debt problem can only be solved by means of a global and fair settlement that would take into account the development interests of developing countries as well as the world economy's stable and harmonious development.

The Warsaw Treaty member states consider it essential to adopt a package of measures to limit the amounts of annual payments for meeting foreign debt to a share of the currency revenues that will not harm the interests of social and economic development, to renounce protectionism, reduce interest rates on loans and credits, stabilise currency rates, rebuild the currency-and-finance system taking account of the interests of all states, and democratise the financial institutions functioning within its framework.

When examining ways of settling foreign debt, including those of alleviating the debt burden of the lesser developed of developing countries, it could be possible to consider also other

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the first joint draft treaty on medium-range missiles, reflecting their respective positions. That draft could well be translated into the world's first accord on nuclear arms reductions. On the other hand, at the self-same Geneva negotiations the American side, in spite of the well-known understanding achieved in Reykjavik, openly prevents a resolution of the question on reductions and consequent elimination of the most formidable nuclear arsenals on this planet — the strategic offensive weapons. In the meantime, West German Chancellor Helmut Kohl — admittedly, after consultations across the ocean — has not only publicly denounced the idea of a nuclear-free Europe but also announced his intention to have the Bundeswehr keep 72 Pershing-1As (following pending elimination of Soviet and American medium-range missiles from Europe) and also let the Pentagon keep the respective warheads at its depots in West Germany. Those who watch the clock of history cannot help feeling anxiety over the fact that at the Vienna meeting of the states participating in the Conference on Security and Co-operation in Europe the NATO delegates keep frustrating discussions of the most crucial issues pertaining to European security. And by so doing they just make everybody waste precious time. □

Mikhail Gorbachev

For a "Common European Home"
for a New Way of Thinking

Speech at Czechoslovak-Soviet
Friendship Meeting

Prague, April 10, 1987

The above speech is available as a Novosti booklet from Soviet Booklets, 3 Rosary Gardens, London, SW7 4NW (01-373 7350).

Price 30p.

proposals put forward by socialist and developing countries and regional, public and financial organisations which would lead to a global solution to this problem.

The Warsaw Treaty member states hold that the United Nations Organisation, in keeping with the resolutions of the 41st session of the UN General Assembly, assumes enhanced responsibility in the cause of global solution of the foreign debts issue.

Measures aimed at solving the debts problem should take into account the interconnection between indebtedness and development and envisages as one of the first steps the study of the problem at the United Nations.

6. It is necessary that arbitrariness, unlawful embargoes, boycotts and commercial, credit-lending and technological blockades, the use of economic contacts as an instrument of political pressure, discriminatory measures and practices and protectionist barriers and restrictions be removed from international economic relations with a view to radically improving international economic relations, including the position of the developing countries.

It is essential to make goods freely accessible to international markets, and to establish a fair correlation between the prices of raw materials, farm products and manufactures, and unimpeded access to advanced technologies and the latest achievements of science and technology. It is also necessary that active support be rendered to the developing countries in the training of national qualified personnel and that firm measures be taken to overcome the brain drain.

The Warsaw Treaty member states support the work being conducted within the UN framework over the code of conduct for transnational corporations, a code called upon to assist the developing countries in establishing effective control over the activity of foreign capital in their economies.

7. The Warsaw Treaty member states, again reaffirming their principled stand concerning the strict observance of the right of each people to a free choice of socio-economic system and way of development, support the process of the final elimination of colonialism, and consider it their duty actively to pursue a policy of wide economic co-operation with all the developing countries on the basis of mutual benefit and complete equality, with a view to solving the big economic problems being encountered by those countries, overcoming the lack of adequate development and ensuring their economic and social progress.

Proceeding from the main directions of their foreign policy, they are ready to intensify economic co-operation in diverse forms with the developing countries on the basis of long-term agreements and programmes which would take into account the resources and requirements of the national economies of interested countries, and to add stability and perspective to economic relations between socialist and developing countries.

The Warsaw Treaty member states regard with understanding the elaboration of socio-economic development programmes by the developing countries on a regional and sub-regional basis, and are ready to co-operate, as much as they can afford, in the implementation of the programmes with the economic organisations of the developing countries, including the agencies of the Non-Aligned Movement.

8. Firmly coming out for wide co-operation with all countries of the world, the Warsaw Treaty member states hold that it is decisively important that each developing country increase its own efforts towards more intensive utilisation of its material and manpower resources and the entire potential of the nation, and that the developing countries use to the maximum the available resources in their own interests on the basis of socio-economic development programmes which proceed from the priorities, requirements and specific possibilities of each

country.

The historical experience of socialist countries attests to the fact that a real solution to the problem of overcoming underdevelopment requires taking a comprehensive approach to social and economic development, ensuring economic independence and shaping a rational structure of the national economy.

Establishing a state sector and other advanced forms of economic management and using planning methods facilitate accelerated social and economic development, greater national independence and effective counter-action to unfavourable external factors.

Establishing and developing their own scientific potential, including training qualified national personnel, is of much significance to speeding the progress of developing countries.

The Warsaw Treaty member states are prepared to share with developing countries their experience of solving these key problems, taking account of the distinctive features and conditions of their national economies and their plans and programmes for social and economic development.

9. The resolution of the problems facing developing countries would be facilitated by close co-operation among them and their increased solidarity and unity. The member states hail and fully support their rightful aspiration for this. Pooling the efforts of developing countries is of growing significance to overcoming underdevelopment and consolidating their economic independence.

10. The Warsaw Treaty member states will continue in their relations with developing countries to observe unswervingly the principles of respect for their national independence and sovereignty, non-interference in internal affairs, non-use of force or threat of using force, complete equality, respect for the national interests and right of each people to decide their destiny, mutual benefit, non-discrimination, and most-favoured-nation treatment.

They declare their invariable solidarity with developing countries' desire to build up their national economic potentials and consolidate economic independence.

11. Considering the fact that overcoming underdevelopment — an anachronism of our age which directly affects two-thirds of the population of the planet — and the resolution of global economic problems can only be made possible with the participation of all countries of the world, the Warsaw Treaty member states urge all countries, big and small, regardless of their social systems and levels of development, to unite their efforts and actively co-operate for achieving these goals.

The Warsaw Treaty member states pointed to the importance of holding concrete and effective talks within UN frameworks with the involvement of all states, with the aim of securing a global and fair resolution of the more important international economic problems.

They called again for convening a world forum at which it would be possible to discuss as a package the problems of achieving economic security, establishing a new international economic order, developing trade and scientific and technological co-operation, and removing everything that encumbers world economic relations.

12. The Warsaw Treaty member states reiterate their determination to help overcome underdevelopment, establish a new international economic order and rebuild international economic relations on a just and democratic basis, to take an active part in international efforts towards these aims, and thus to make a contribution of their own to achieving economic stability and improving the international political climate. □

(N.B. The cross-heads in this bulletin were inserted by Soviet News—Ed.)