

## Soviet President speaks at dinner given by Spanish King

"ON behalf of my colleagues and all those who came with me, I convey to you and the citizens of Madrid our heartfelt gratitude for your hospitality and kindness, which we felt from our first moments in Spain," President Mikhail Gorbachev said at a dinner, given for him by King Juan Carlos of Spain on Friday, October 26.

"We are really moved by the welcome and grateful for the words that have just been said. They concentrated much of what supported and consolidated for a long time the gravitation of our two nations towards each other. Moreover, they reflect the growing significance of Soviet-Spanish relations on a new stage of the European and world development.

"We are deeply satisfied with the talks that we held with the Spanish leaders, with their extensive scope, openness and a feeling of perspective.

This forms the basis of the documents that we shall sign," he stressed.

Gorbachev pointed out that "a new quality of Soviet-Spanish co-operation falls in line with the most profound changes that have swept the world. We are witnessing the beginning of a truly new epoch. Age-old prejudices, fears and misunderstandings are disappearing, and real contradictions that determined international relations are weakening. The criteria of justice, equality, respect for human life as such, that existed in theories, sermons and dreams, are beginning to take effect in real world politics, driving back militaristic and great-power approaches," he said.

The Soviet President pointed out in this connection that "a path towards a peaceful period, disarmament, the rejection of settling conflicts by means of force, the formation of the integrat-

ed world mentality and the recognition of the indisputability of the freedom of choice and the balance of real interests emerged in the development of the civilisation.

"Of course, our two countries hold their respective places in these tremendous changes. However, they have something in common, which constitutes a Soviet-Spanish factor as a category of both of a political and spiritual nature.

"In the past our two countries were like the eyes of Europe looking to the West and to the East. They played a very important role in the formation of the civilisation. History assigned a mission to them to make their invaluable contribution to its further progress on an entirely new stage – a contribution worthy of the past of the two great nations," the Soviet President said. □

## Mikhail Gorbachev's interview with El Pais

PRESIDENT Mikhail Gorbachev, on the eve of his visit to Spain, answered questions from the Spanish newspaper *El Pais*. The interview is published in the October 26 issue of *Pravda*.

The Soviet President said that he had met the Spanish Prime Minister Felipe Gonzalez on two occasions – in 1985 and 1986. In this connection Gorbachev pointed to "a high level of mutual understanding" between them as a result of the two meetings and subsequent "regular contact" with the Spanish Prime Minister.

Speaking of Soviet-Spanish relations, the President stated the similarity of the two countries' positions on common issues. "We have no problems that could create any considerable difficul-

ties for the development of our relations," Gorbachev emphasised.

The Soviet Union, he added, has a "specific interest in Spain's comparatively recent experience in the transition to democracy and to modern market economics."

Touching upon Soviet-Spanish economic relations, the President pointed out that the Soviet Union was interested in Spanish participation in work to transform the Soviet economy. With this end in view, "favourable opportunities, at the level of universally accepted ones," are being created for them, he said.

"We note that in the Spanish business community there is mounting interest in and taste for operating on the Soviet market and for establishing direct contacts with Soviet industrial enterprises," Gorbachev said.

"By way of illustration I shall mention co-operation to modernise light industry enterprises, the construction of turn-key projects by Spanish firms and the establishment of joint ventures, of which 27 have already been registered and 22 of them are in operation."

"I think that Spanish entrepreneurs should act more vigorously and compete more boldly with other countries' businessmen who now show an immense interest in the Soviet Union," the President said.

The Soviet Union banks on full-scale co-operation with all European countries, the United States and Canada within the framework of the Helsinki Process, President Gorbachev said.

"We are prepared, and want, to share actively

in the resolution of all European issues, including the new security structure and the pan-European system of interaction in the economy, ecology, energy, information and culture.

"The Europeans can solve these – and many other issues, for that matter – only if they act together," he continued.

He noted at the same time that the Europeans "have a lot of work to do before insuring themselves against reverting to the past and against attempts to 'take an ideological revanche' or 'take revenge' for the past."

Gorbachev argued that the European security structure should not be a closed system.

"The future geopolitical structure of Europe should be connected with similar structures in other parts of the world. As a country that is also situated in Asia, the Soviet Union cannot have a different view of world politics, including European, politics," he said.

Gorbachev hailed Spanish peace initiatives for the Mediterranean, saying that their implementation will serve the peaceful and prosperous future of all nations in "that region, which is so important to many peoples and states."

Asked about the prospects for Soviet-US co-operation in maintaining peace and security, he said that "it seems to me that the time of superpowers is over."

He added, however, that such major countries with unique economic and military potentials as the Soviet Union and the United States still

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# Mikhail Gorbachev's address to Spanish Parliament

*Here follows the full text of Soviet President Mikhail Gorbachev's remarks to the Spanish Parliament on Friday, October 27:*

Mr. Chairman,  
Esteemed Members of Parliament,  
Ladies and Gentlemen,

I am grateful for the invitation to address representatives of the Spanish people from this high national platform.

Spain occupies a special place in Soviet people's view of the world. Sympathies for and solidarity with your proud and talented nation and an interest in its distinctive appearance, its nature and its ancient, original culture have become hereditary qualities of many of our peoples.

I am under the constant impression that this first-ever visit to Spain by a Soviet head of state is the payment of an old debt to both our great nations that were kept apart unfairly at one time.

For more than ten years now that we have been once again moving towards each other, but this meeting stands out because it bears the imprint of the prodigious democratic changes that have taken place in Europe and across the world.

Forty-five years after 1945, the Second World War has finally come to an end in Europe, and millions of Europeans have discovered that the divide between East and West is rapidly vanishing.

Europe is changing its looks. Europeans, who have got used to the unnatural split over the past half a century, are rediscovering their common

historical and cultural birthplace, and today offers a good opportunity to speak of Europe from the Atlantic to the Urals.

Unprecedented changes are confronting us all with new questions. Where is Europe heading? How controlled can this movement be? How to avoid reverses and setbacks on this path to a yet unknown future? How to remove dangerous contradictions that may arise? How to achieve a balance of interests amid a complete freedom of choice?

These questions are, in effect, a working agenda for both European politicians and for the European public. But one thing is already clear: the changes have unfettered the natural movement and joint development of European nations and their significance supersede not only European boundaries but also the limits of the 20th Century.

German reunification is perhaps the most significant symbol demonstrating that the new epoch in international development is real and irreversible. But it is also a stringent test for the new nature of world politics and its updated criteria.

The road to the peaceful and worthy resolution of the 'German issue' in favour of the German nation has not been easy: the tragedy of the past war was too great. The Soviet Union, which suffered the greatest, unparalleled casualties, bore the principal responsibility also for the positive settlement of the external aspects of German unity.

I believe I have grounds for saying that German reunification would not have taken place,

let alone so quickly and in international unity, had it not been for Soviet perestroika.

As it sets out for the future, Europe has no right to forget its past. "History," as the great Cervantes wrote, "is not only a treasure-house of our deeds and a witness of the past, but also an example, a lesson for the present, as well as a warning for the future."

This idea is especially relevant today when newspapers, along with running upbeat reports on the cessation of the cold war, are predicting a new 'balkanisation' for the continent, writing about the return of old squabbles the roots of which were only frozen – but not killed – by the cold war and are prepared to sprout again, and talking about the temptation to establish – following the dismantling of the system of blocs – other spheres of first economic and then political influence.

None of it may be allowed. It has taken several hundreds of years for Europe to realistically begin shaping an inter-ethnic and interstate community on the basis of universally shared values and with due regard for the distinctive interests of each nation.

I believe Europeans have accumulated enough wisdom, drawn the right lessons from their past and can build Europe in a new way.

The present transitional period is especially important: the old equilibrium and related mechanisms are giving way, while new mechanisms needed to maintain stability and interdependence are only just being discussed and are yet to take some international legal shape.

Obviously, the forthcoming Paris summit, which will usher in a common European epoch, will introduce essential clarity on this point.

I see a future Europe as an integral political, legal, economic and cultural space, as an alliance of states with common structures maintaining military and ecological security and ensuring a high level of multifarious interaction.

Spain and the Soviet Union are called upon to play a big, I would even say indispensable, role

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shoulder the burden of responsibility for maintaining peace.

"Neither we nor the Americans can simply throw this burden off without jeopardising general scrutiny. Neither we nor the Americans have the right to stop trying to limit the race in nuclear arms and, ultimately, abolish them altogether.

"Not everything, of course, but a very great deal depends on our two countries. This means that more is expected of them than of others," Gorbachev went on.

He noted that the increasing understanding between the Soviet Union and the United States is "based on a solid footing."

"We hope that we are entering a long and stable partnership with the United States. We are relying on it," Gorbachev said.

Commenting on changes in Eastern Europe, he voiced hope that they are paving the way to a new, peaceful European order.

He reaffirmed that "the Soviet Union rejects interference in the internal affairs of other countries, including its allies, and is irreversibly committed to the principle of free choice."

Gorbachev called for preserving and strengthening bilateral relations with neighbours on a new, absolutely equal and mutually beneficial basis.

"It is essential to reject everything negative that marred our relations, while preserving and augmenting everything that is good, positive and mutually advantageous," he said.

Commenting on the Gulf crisis and its global impact Gorbachev said the crisis was a test of the international community's ability to act in accordance with new criteria in international policy and to force the aggressor to comply with international laws.

He described UN Security Council decisions on the Gulf as demonstrating, for the first time in decades, the solidarity of diverse countries based on their common sense of responsibility for maintaining peace and security.

Gorbachev said that no matter whence they emanate, aggression and violence must be condemned and curbed by collective measures under the aegis of the UN. "Double standards are out of the question in these matters," he stressed.

Gorbachev noted that conflicts in the Middle and Near East, including the chronic Palestinian problem, are getting worse. But he also pointed to the possibility of avoiding an outbreak of war.

The Soviet Union, Gorbachev said, is doing everything to achieve a political solution to the crisis. This policy, he added, is supported by all Soviet republics, including those predominantly Moslem.

He noted that "Islam, just like other religions, appeals for peace and tolerance rather than enmity and hatred."

Soviet perestroika was designed to pull the nation "out of the restrictions of a most burdensome past," a job too hard not to provoke various crises, but the country is destined to succeed, President Mikhail Gorbachev said.

While perestroika cannot solve all problems, "we shall create democratic mechanisms to enable us to get over contradictions as painlessly as possible, find optimum solutions to arising problems and blend the interests of different social and ethnic groups," Gorbachev said.

He voiced confidence that over the next few years the Soviet Union will be able to "make serious advances."

He flatly rejected recent calls, in the Soviet Union as well as abroad, to drop the socialist idea.

# Soviet-Spanish Political Declaration

*Here follows the Soviet-Spanish political declaration signed in Madrid on October 27 by Soviet President Mikhail Gorbachev and Spanish Prime Minister Felipe Gonzalez:*

THE Union of Soviet Socialist Republics and the Kingdom of Spain.

- Guided by the profound feelings of friendship and mutual respect between the Soviet and Spanish peoples,
  - Relying on the traditional relationship of co-operation between the two countries,
  - Seeking to contribute to positive trends in Europe and the world,
  - Showing a special interest in shaping a new Europe,
  - And unswervingly committed to the building of a new, fairer and more humane, peaceful and democratic international order,
- Agree to the following:

## I

The Soviet Union and Spain welcome the transition from confrontation to co-operation, which is demonstrating the interdependence of the world with fresh vividness. The comprehensive nature of challenges confronting humanity is increasingly requiring collective responses.

The sides are convinced of the need to follow the chosen path, abandon the former spirit of hostility once and for all, and revive such universally shared values as trust, mutual understanding and solidarity.

Mankind should enter the 21st Century free from the burden of former ambitions and prejudices and confident of its peaceful future. The Soviet Union and Spain favour peace, disarmament, mutual understanding and broader co-operation, and call for the renunciation of any actions that could jeopardise positive changes achieved in Europe and the world.

In this connection, the sides consider it essential:

- For all countries to strictly respect the principles of sovereign equality and territorial integrity, the right of each nation to decide its destiny itself, and other objectives and principles of the UN Charter, as well as for all signatories of the Helsinki Final Act to observe its provisions,

- To strictly observe basic rights and liberties and assert the universal values of freedom, justice, tolerance and pluralism in defence of the principles of democracy,

- To enhance the United Nations Organisation and its role in the world and strengthen regional security structures designed to facilitate international stability and avert conflicts. The USSR and Spain will apply joint efforts to achieve the practical triumph of the general purposes and principles sealed in the UN Charter,
- To actively co-operate towards the political settlement of regional conflicts and the peaceful resolution of international disputes in general,

- To overcome international rivalry by ruling out the use or threat of force, increase trust and stability in state-to-state relations, control arms and reduce them to a minimum meeting of the principle of reasonable sufficiency for defence.

In this context, the Soviet Union and Spain attach particular importance to talks on reductions in nuclear and conventional arms and on the general and complete prohibition of chemical weapons, and will promote the success of this process according to the measure of responsibility borne by each of them. They also consider it a priority to prevent the proliferation of chemical and nuclear armaments and missiles capable of carrying them. The sides support a realistic approach making it possible to scale down nuclear testing step by step with a view to

ensuring its eventual complete prohibition in the future.

In the face of the danger of an outsize build-up of arms in individual countries and regions, the USSR and Spain favour increasing the effectiveness of national and international control over the export of weapons and military technology.

The sides are also concerned about the crisis of world economic structures, which is manifest in the alarming growth of developing countries' foreign debt and in disproportions in the development of various regions.

With a view to settling the crisis and in the interest of fashioning a more humane, just, peaceful and democratic world, the USSR and Spain:

- Believe that each state, society and person should help improve the environment and prevent ecological catastrophies, stepping up international co-operation in order to ensure adequate security in this field,

- Believe that the international community should make efforts to do away with hunger, poverty, diseases and backwardness,

- Denounce terrorism in all its manifestations and call upon all countries to pool efforts to combat terrorism, illicit drug trafficking and organised crime,

- Support the coordination of efforts in the peaceful exploration of outer space and use of seas and oceans, as well as efforts to solve energy problems.

## II.

The new appearance of the international community at the start of the next century will largely depend on Europe's ability to be up to its share of responsibility for promoting a peaceful and fair world order.

The old continent can help create a system of relationships fully meeting the aspirations of the modern world and the traditions of European civilisation.

Modern Europe has entered a period of historical changes, marking the transition from political confrontation, schism and disunity with the associated risk of outbreak of war to the European architecture of security, stability and co-operation.

The USSR and Spain welcome German reunification and believe that this historic event is a result of the new climate in international relations and symbolises the fact that the times of the cold war, mistrust and confrontation are over.

The USSR and Spain reaffirm their commitment to the Helsinki Process and declare that they are fully resolved to co-operate between themselves and with other countries participating in the Conference on Security and Cooperation in Europe (CSCE) to develop it.

Positive changes in our continent have prompted the concept of a common European home. The enhancement of all principles of the Helsinki Final Act and the creation of new European architecture integrating all spheres of co-existence will help shape a Europe held closely together by common institutions, which will strengthen security in the continent and make it possible to expand co-operation in economic, ecological, scientific, cultural and legal fields to the European dimension.

The Soviet Union and Spain are convinced that the forthcoming Paris CSCE summit will open a new page in international relations, and

will apply every effort for its success.

A historic treaty reducing conventional arms in Europe and a declaration by countries participating in the two blocs will be signed during the meeting, furnishing a solid foundation to foster a permanent climate of security and co-operation.

The Soviet Union and Spain want talks on confidence-building measures in the military field and on cuts in conventional arms and armed forces to be resumed right after the Paris summit and disarmament negotiations subsequently to be joined by other CSCE countries.

Simultaneously, the Paris summit should create conditions for continued headway towards institutionalising the CSCE through the creation of structures having common European foundations and with the active involvement of the United States and Canada.

The new CSCE structure will take into account the national distinctions of states and guarantee the inviolability of borders in keeping with the Helsinki Final Act's provisions. These borders should be penetrable to all kinds of co-operation and relations based on mutual respect and equality.

The sides reiterate their interest in ensuring the success of the conference on the human dimension in Moscow in 1991.

The sides acknowledge the role played in respective fields by European organisations, in particular the European Community and the Council of Europe.

## III.

Developments in some regions adjacent to Europe make one think about new parameters of European security.

The Gulf crisis, provoked by Iraqi aggression against Kuwait, affects the interests of all Europeans and endangers stability and peaceful development in the continent. The Soviet Union and Spain condemn the Iraqi actions, which are a gross violation of norms of international law, and demand that the Baghdad Government undeviatingly fulfil corresponding Security Council resolutions and immediately and unconditionally withdraw its troops from Kuwait.

The sides express concern over the situation in the Middle East in general, in particular in connection with the Arab-Israeli conflict which has for decades remained a source of instability and confrontation. The sides favour its fair, comprehensive and enduring settlement on the basis of corresponding UN Security Council resolutions and call for the convocation of an international conference on the Middle East.

Welcoming the overall progress of democracy in Latin America, the Soviet Union and Spain voice satisfaction with the headway made in settling conflicts and promoting reconciliation in central America.

Convinced that European security is indissolubly linked with stability in the Mediterranean, the USSR and Spain deem it essential to facilitate dialogue among Mediterranean countries and other interested states to improve the political climate and promote co-operation in the region. The Soviet Union thinks highly of, and supports, the proposal of Spain and Italy for launching the conference on security and co-operation in the Mediterranean process, regarding it as a very timely and promising initiative.

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# Mikhail Gorbachev receives President of Argentina

SOVIET President Mikhail Gorbachev and President Carlos Menem of Argentina had an important conversation, full of promise, in the Kremlin on October 25.

"By setting the task of implementing perestroika, you in the Soviet Union shook the foundations of the old world. Your accomplishments in deepening freedom, which are responsible for the comprehensive development of democracy, deserve respect. Of course, it is more difficult to implement economic reform, but we know from our own experience that it is better to suffer once and create a solid base for well-being. You can count on Argentina to be your friend," President Menem said.

Argentina is now living through its own perestroika, Menem continued. He described its main directions. Gorbachev wished success to the Argentine leaders and people during the implementation of the transformations.

The presidents exchanged views on the international situation. "Changes in the world are deep, and they continue to increase in scope," Gorbachev pointed out. "Humanity has taken to the path leading towards lasting peace. The turn in Soviet-American relations played an important part in it. Nothing could have happened without it. Now, however, we should move further. Now we should set in motion the pro-

cess of spreading security throughout the world – to Latin America, Africa and, certainly, the Asia-Pacific region. The experience of Europe, which managed to overcome East-West rivalry, can play a positive role in the search for new solutions meeting the requirements of other regions. We are working towards this goal."

Carlos Menem pointed out that the disarmament process, which began recently, and the end of the 'cold war' are changing the mentality of nations. "I do not agree with the division of the world into the first, second and third world. I support the ideas of new thinking: the world is an integral whole. Of course, people are different everywhere. They belong to different nationalities, religions, ideologies, but they are human beings all the same. The new world order, which is being established now, should serve people," the Argentine President said.

Gorbachev and Menem fully agree that the United Nations Organisation is now playing a great and ever growing role. For 40 years it could not use its potential, Gorbachev pointed out. Now, however, it has been given an opportunity to do so. More and more elements of accord appear in the work of the UN. This trend manifested itself in the unanimous denunciation of Iraq's aggressive actions. New thinking is being tested and is passing the test successfully.

They devoted special attention to the situation

in Latin America. According to Menem, the situation on the continent is difficult, but the path it has chosen – that of democratisation and deepening the integration in economy – is the correct one. Gorbachev agreed that the continent is taking to a new path. "Our relations with Latin American countries are good, we highly appreciate them and intend to further develop them," he said.

The sides expressed their firm intention to expand and deepen comprehensive relations between the USSR and Argentina. Gorbachev and Menem agreed to continue contacts through personal meetings and other ways. They both described their dialogue as mutually beneficial. □

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PRESIDENT Mikhail Gorbachev and visiting President Carlos Menem of the Argentine Republic on October 25 signed a declaration of the principles of co-operation between the Soviet Union and Argentina.

On the same day Soviet Foreign Minister Eduard Shevardnadze and his Argentine counterpart Domingo Cavallo signed intergovernmental agreements on co-operation in peaceful uses of atomic energy, in research and peaceful use of outer space, on co-operation in efforts to combat addiction to narcotics and psychotropic agents, their illegal production and trafficking. □

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in building a new Europe. And I single out Spain not only as a mere tribute by a guest to his hospitable hosts.

While having established itself firmly in the integration structures of the European community, Spain has at the same time been cautious enough about joining its military-political system, engendered by the outgoing epoch of confrontation.

Spanish statesmen and parliamentarians have perhaps been able to see earlier than others the dawn of a new era of collective security and co-operation breaking over Europe.

We give its due to all this and count on a weighty Spanish contribution to the Conference on Security and Co-operation in Europe (CSCE) process at this juncture.

Naturally enough, the question of the Soviet Union's role in this process, as well as in world development in general for that matter, is now seen in a new light.

The policy of new thinking is intact in principles and moral foundations but it will be represented by a substantially different state, which will perhaps even have a new name. The basic principles of its state arrangement will be determined in the near future, and agreement on its economic basis was reached in principle just before my coming here.

Heated debates, disagreements and clashes of opinion on this score in my country have, I know, caused serious concern in political and public quarters abroad. This is only natural when the matter at issue is a state of such a size and history.

It is a sign of the times, however, that whereas previously in the West they wished, either overtly or covertly, the USSR to grow weaker, now they declare openly that it is in the interests of the entire world for the Soviet Union to be stronger and have a new integrity, prosperity and authority.

This, too, is only natural because what is meant is a democratic and free country, a voluntary union of constituent sovereign statehoods.

We see this position as graphically

demonstrating awareness of the world community's growing integrity and interdependence, as well as, from the moral standpoint, solidarity with truly progressive, reformist, popularly healthy and sensible forces in our society.

We think very highly of this solidarity and would like some of the hot heads back home to give serious thought to this phenomenon of the new epoch.

Consolidation is an uphill task for any society, especially one that has over a historically short time lived through literally catastrophic upheavals.

In Spain, you know this well. There is much instructive in the way your country is overcoming confrontation and antagonisms engendered by your split in the 1930s. You have mustered the strength to stamp out the seeds of irreconcilable enmity, turn this tragic page in your history over and make decisive headway along the path of radical changes.

Over a short time, you dismantled authoritarian structures – bloodlessly – and effected an orderly, smooth transition to a democratic form of government and public life. The peoples of Spain opted for state integrity, national accord and civil peace. This helped a lot towards ensuring political stability in this country and making impressive economic progress.

The problem of consolidation and civil peace has come to face my vast country squarely today. We are living through an unprecedented period in liberating our society. My multinational country is undergoing profound inner transformations. A unitary state is turning into something quite different and, I believe, yet unknown to history.

Old structures are collapsing, accustomed relations are breaking up and models of power and administration, which have become fossilised over the decades, are falling off. In short, everything that used to keep society stable but also forced it into a dead end is now crumbling.

Many view this as an advent of chaos, as an irreparable catastrophe, while in fact this is the birth of a powerful new organism and that birth is inevitably painful.

At this moment all of us, who are involved in

politics one way or another, should be particularly careful and cautious. But it is also understandable that it takes time to develop an ability to use the new powers properly, that is for the benefit of one's peoples. It is not overnight that one comes to realise that freedom involves responsibility, or otherwise it can turn into a weapon of anarchy and destruction rather than serve as a powerful means of renewal and self-development.

I know that there is a mixed reaction in the West to processes under way in some of our republics and their relations with the centre. I would like to take advantage of this opportunity to call for extra care in analysis and balance in judgements.

Those who proceed from the fact that the USSR is going through a period of transition are correct.

We shall – and I am absolutely positive about this – be able to surmount difficulties. Even now, over these past few weeks, euphoria and extremism have been increasingly losing credibility in political circles and among the public. Common sense and responsibility are gaining momentum. There is growing awareness that we can stabilise the situation and make continuous progress only by rallying all who really care about popular interests.

In these conditions, we count on the understanding and support of the world, including Spain. It is not by chance that I am here in the most tense period of our difficult transition that can be matched by very few challenges even in my country's 1,000-year history.

Our bilateral relations have over a short time acquired good prospects. The former naturalness and sincerity are coming back to our wide-ranging contacts. This has shown also in the disinterested aid given by Spaniards after the Armenian earthquake and in your hospitality and cordial concern for Soviet children suffering as a result of the Chernobyl disaster.

For our part, we are prepared to act with a keenest sense of responsibility, especially as the world, which has only just got rid of the East-West cold war, has encountered an acute crisis

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## Gorbachev favours "strong, independent" trade unions

PRESIDENT Mikhail Gorbachev in a speech at the National Congress of trade Unions, in Moscow on October 24 said he favoured "strong, independent" trade unions that would act "constructively and responsibly" during this critical time in the nation's development. He went on to stress that without an active contribution from the trade unions, the country could not cope with its current difficulties.

Gorbachev said that progress towards a market system is the "logical evolution" of the Soviet economy and urged following this path to the end.

"This will be the greatest test, but we should pass it," he said. Otherwise, Gorbachev warned, the country would end up historically in a "blind alley".

He said that on all issues, the country has taken a "last-ditch stand" and that further re-

forms would mean "a change in the social system."

Gorbachev strongly denied claims that he is against socialism. "I am against barracks-style socialism, against socialism under which a man is suppressed by a totalitarian state."

"Socialism is justice, equality, freedom . . . It is a society of democratic institutions and mechanisms that preserve and maintain law and order. But we are still far from it," Gorbachev said.

However, he warned against unwarranted panicking, saying that following socialist ideals unservingly, the country could reach its goals.

Gorbachev also predicted that unless decisive headway is made towards a market, the country may find itself in a very grave situation and a return to a system of "strong-hand government" could not be ruled out.

He identified the break-up of the Soviet federation as "the greatest danger" and stressed the need to stop those pushing towards it.

Only a union of sovereign states can bring out the potential of them all, Gorbachev said.

He said that during the initial stage of market

reform, when emergency measures might be required to stabilise the economy, "it is important to keep in touch with all detachments of working people."

He called for co-operation and mutual understanding with trade unions, urging them to back the national leadership in its resolute affirmative action.

"If you try to bring us to our knees, nothing will come of it," Gorbachev said.

He declared the leadership's readiness to exchange opinions with trade unions on a regular basis.

In conclusion, Gorbachev wished the Trade Union Congress success and constructive work. □

### Ukrainian Parliament amends Constitution

ON October 24 the Ukrainian Parliament approved over 20 amendments to the republican Constitution, which included dropping the clause on the leading role of the Communist Party and allowing a multi-party system.

The Supreme Soviet legislature also proclaimed the precedence of republican laws over federal ones, which will now only enter into force in the Ukraine after being ratified by its parliament.

One amendment adopted calls for creating a constitutional court.

The parliament formed a commission to draw up a new constitution, which will be offered for grass-roots discussion next year. The commission is led by President Leonid Kravchuk.

The amendments were made following several days of stormy debates both in Supreme Soviet committees and at full-scale parliamentary sittings. □

### Presidential decree on foreign investments

A DECREE on foreign investments, signed by the Soviet President on October 26, envisages the possibility of creating on Soviet territory enterprises, the property of which fully belonging to foreign investors. "Foreign investments on Soviet territory enjoy legal protection, and their regime cannot be less favourable than the corresponding regime existing for the property of Soviet enterprises, organisations and citizens," the decree says.

Foreign investment can be in the form of participation in enterprises, the purchase of property, shares and other securities, the purchase – independently or with Soviet enterprises and citizens – of the right to use land and other property rights, including the right to long-term leasing.

According to the decree, "profits of foreign investors, obtained in the USSR in Soviet currency, can be freely reinvested and used on Soviet territory in accordance with Soviet legislation and that of union republics, and can be transferred abroad in line with the procedure established by Soviet legislation."

In order to boost joint business activities with foreign investors, the Presidential Decree envisages the possibility of creating zones of joint enterprise. The regulation of economic activities of Soviet enterprise. The regulation of economic activities of Soviet enterprises and enterprises with foreign investments, as well as easy terms granted to them in such zones, will be determined by the legislation of the Soviet Union and union and autonomous republics, as well as resolutions of corresponding councils of people's deputies (soviets) within the limits of their competence. □

## Soviet Parliament re-asserts supremacy of federal laws

THE Soviet Parliament on October 24 passed a law enforcing federal laws, which reaffirms the supremacy of federal legislation over republican legal acts within the centre's sphere of responsibility.

The new law, effective immediately after publication and through the conclusion of a new Soviet Union treaty, invalidates republican acts contradicting this principle.

According to the bill's sponsors, it should end the "war of laws" between the centre and republics, most of which have declared that their legislation takes precedence over federal laws.

Yuri Kalmykov, Chairman of the Parliamentary Committee on Legislation, who presented the Bill, said it should help stabilise the legal system and the overall situation in the country.

"We are neither declaring war on the republics nor bringing pressure to bear on them," he said. "The republics should understand that this legal act is in the interests of all."

It stipulates that if a republic is opposed to any of the law's clauses, it can directly appeal to the federal Supreme Soviet or Congress of People's Deputies.

The debate on the bill was heated and focused on a clause giving the President the right to dismiss various local officials. The terms under which he should be able to do so proved to be a bone of contention.

Both houses of Parliament took separate votes on the bill. The result being: the Council of Nationalities approved it with the exception of this clause, while the Council of the Union fell four votes short of the minimum required for endorsement.

A commission of conciliation, however, later worked out a compromise wording of the controversial clause, and the bill was finally approved by both parliamentary houses.

Parliament then heard an address from the 19th Congress of Soviet Trade Unions then underway in Moscow.

The address expressed "indignation at the position of Parliament which has been dragging its feet on the adoption of a law on trade union rights."

It suggested that Parliament should "consider the law as a matter of priority and have its first

reading before the Trade Union Congress draws to a close."

Anatoli Lukyanov, Chairman of the Supreme Soviet, said that this kind of recommendation is "not quite correct" and that the charges of marking time on the trade union law are unjustified.

He proposed that the parliamentary Commission on Labour, Pricing and Social Policies and Representatives of the Trade Union Congress meet on Thursday, October 25, to review the preparation of the bill.

If the commission decides that the bill is ready to be discussed, Parliament can have its first reading next week. Lukyanov said. □

### Russian Parliament adopts law on all-union acts

WHILE the Soviet Parliament legislatively formalised the supremacy of all-union laws over republican acts, the Parliament of Russia, the largest republic in the Soviet Union, limited the operation of legislative acts of all-union bodies over its territory.

The law on the operation of all-union acts over the territory of the Russian Federation, also adopted by the Russian Parliament, states that laws and other acts by all-union bodies of state authority "enter into force on the territory of the Russian Federation after their ratification by the Russian Federation's Supreme Soviet."

A similar order is provided for acts by the all-union government that are to be approved by the Russian Government.

If these acts by the legislative and executives arms of government are adopted within powers delegated by the Russian Federation to the Soviet Union, they operate on the republic's territory without any restrictions.

Decisions, as well as treaties and deals concluded on the basis of all-union acts but not ratified, confirmed or suspended in compliance with this law, are invalid.

The law entered into force upon its adoption. It is specified that it will be submitted for the approval of a special Congress of People's Deputies of the Russian Federation, which, it is proposed, will convene in Moscow late in November. □

# New Soviet trade union body set up in Moscow

A NEW Soviet trade union centre is the main result of the 19th Trade Union Congress which ended in the Kremlin on October 27. It was attended by some 2,500 delegates representing 140 million trade union members.

The declarations on the creation of the new trade union centre says that its goal is the consolidation of forces and the coordination of actions of trade unions in protecting labour, socio-economic and cultural rights of Soviet people. According to its rules, both all-union, regional

and branch associations of trade unions can join the confederation. Their organising and financial independence are guaranteed.

The unitarian structure of steering bodies of the trade union movement, that existed in the country for seven decades – the All-Union Central Council of Trade Unions – was dissolved by the resolution of the Congress on October 24 as an institution of the totalitarian state that exhausted its potentialities. The Congress announced that the confederation is the successor of the property of Soviet trade unions, which own recreation centres, hotels, cultural and sports facilities, publishing houses, other enterprises and valuables. The Congress opposed the

idea of dividing the property according to the regional and branch principles and assigned the confederation to determine the order of its ownership, use and management.

Delegates to the Congress called for the unity and consolidation of all trade union and workers' movements of the country in order to overcome the difficult economic situation, to create a single all-union market and to conclude a new union treaty as soon as possible.

Participants in the Congress sent a message to the world trade union movement, which expresses readiness to further co-operate with all those who work for peace, disarmament, democracy, human rights and social progress.

Vladimir Shcherbakov, 49, was elected Chairman of the General Confederation of Trade Unions.

Taking into account a complicated and contradictory economic situation and the absence of a law on trade unions, their rights and guarantees, the delegates found it expedient to hold the second stage of the 19th Trade Union Congress in 1991. They believe that this will permit them to coordinate the activities of Soviet trade unions during the country's transition to a market-based system. □

## Soviet intelligence chief meets young politicians

ALLEGATIONS that a "great" number of Soviet intelligence agents have betrayed their country and co-operated with foreign special services are, at least, provocative and untrue, Soviet intelligence chief Leonid Shebarshin said.

On October 26, Shebarshin, chief of the KGB First Main Department, met representatives of the Forum-90 Association of young politicians and spoke of the aims, tasks and methods of work of KGB foreign political intelligence in the current conditions.

"Since 1975, 15 former intelligence agents have betrayed their country," Shebarshin said. "Nine of them are currently abroad and six were punished by Soviet justice."

Like all the country, the Soviet intelligence is changing, Shebarshin said. New tasks have been added to its main task, which is to obtain secret information used by the country's leadership to take political decisions.

He said the process of disarmament in the country sets the task of "political control" over the process. New functions, such as to combat drug traffic, terrorism and economic sabotage against the state, have been added.

In spite of the improvement of intelligence

equipment, people remain its main tool, including intelligence agents working abroad under the cover of various institutions and secret agents, Shebarshin said.

Speaking of citizens of other countries co-operating with the Soviet intelligence, Shebarshin said "none of them is forced to do so, as they work on the ideological or financial basis."

The Soviet intelligence has "done away with confrontational methods in its work," he said. Shebarshin admitted that previously, the work had been aimed to "search for an enemy and exaggerated the threat for the Soviet Union."

Young politicians asked many interesting and "loaded" questions. Shebarshin denounced allegations that the KGB collects compromising materials on foreign political figures and uses them in its work.

"We do study foreign politicians, mainly using open sources. We compile their psychological profiles, where we sometimes note their negative features," Shebarshin said. "But they are not used to exert pressure or for other ends."

Asked if the Soviet intelligence is planning to work in the Baltic republics, Shebarshin said he hoped that "all of them will remain in the fold of the Soviet federation." If they secede from the Soviet Union, "we will keep an eye on them, but I doubt that they will be of great interest to us," Shebarshin said. □

(Continued from page 364)

elsewhere. The new world politics are now going through a serious test.

The crisis in the Gulf, an area linked to Europe by inseparable bonds, should be settled by the rules of the new international order. Those hoping that a blow at such a vital world hub will provoke a resumption of East-West confrontation have badly erred.

The international community has demonstrated by its response through the United Nations Organisation that no aggression will henceforth be tolerated. We favour using every chance to bring about a political solution, but let no-one take the search for such a solution as a sign of weakness or vacillation in implementing UN Security Council resolutions.

I cannot but say in this connection that the new nature of Soviet-US relations and the spirit of partnership and trust that now distinguished them play a particularly important role in progress towards a new world order.

In view of developments in the Middle and Near East it is appropriate to stress once again Europe's mission in the world process on the threshold of another century. This idea is organic to our concept of a common European home, and it is especially appropriate to recall it in Spain, which has access to both neighbouring continents through the Mediterranean and is historically related to Latin America.

The new epoch in East-West relations will not set in if we forget that it is inseparable from the equally universal problem of North-South relations.

Today we are looking forward to the future with hope and trust. But we are also aware that the past is very tenacious and can straddle the highways we are building now. A great deal of work lies ahead.

Permit me in conclusion to wish us all success in this joint breath-taking endeavour. I would like to hope that we – Soviet and Spanish people, all Europeans – will not pass up our chance.

The future of Europe and, hence, of the entire world will be determined by practical deeds. It is they that will leave a noticeable trace in history. For our children to feel secure and confident of the morrow and remember their fathers well, let us act boldly and cautiously, thinking of tomorrow and the day after tomorrow.

Thank you □

(Continued from page 363)

### IV.

The first state visit by a Soviet President to Spain in the history of bilateral relations opens a new and important stage in the development and strengthening of co-operation between the two countries.

Spain wishes success to Soviet reforms and believes that these positive changes, democratisation in Soviet society and new political thinking are of exceptional importance to the future of international relations, the evolution of the situation in Europe and bilateral relations.

The Soviet-Spanish talks at summit level and the accords reached represent an important contribution to strengthening international co-operation and creating new European architecture.

The Soviet Union and Spain are determined to continue moving forward along the path they have chosen in bilateral relations and searching for new forms of co-operation.

With this aim, the sides agree:

- To develop and deepen political dialogue at summit and all other levels, including through regular consultations between the foreign ministries,

- To increase trade, economic, scientific and

technological co-operation, as well as co-operation in agriculture, fisheries, civil aviation and transport within the frameworks of corresponding agreements and programmes.

- To take measures to encourage the launch of joint ventures,

- To facilitate exchanges and co-operation in the legal field,

- To broaden people-to-people contacts, by encouraging exchanges between social, youth and other organisations, as well as contacts between individuals,

- To consolidate and update co-operation in the fields of culture, arts, education, sports, mass media and tourism,

- To facilitate the adoption of measures to improve working and living conditions for personnel at the official missions of the two countries, as well as journalists, business people, and so on.

### V.

The Soviet Union and Spain think it desirable to put their bilateral relations on a qualitatively new legal footing and, with this aim, will begin preparing a treaty that would correspond to the present situation in Europe and the world and cover the entire range of Soviet-Spanish relations. □

**TASS comment:****Future of Warsaw Treaty**

THE future of the Warsaw Treaty is an issue that has drawn much attention of late. The mass media recently carried statements by Hungarian and Czechoslovak leaders about the two countries' plans with regard to the Treaty's military organisation.

The Soviet Union does not regard statements by its allies about the dissolution of the Warsaw Treaty military organisation as sensational news.

In 1988, the Treaty's Political Consultative Committee in Bucharest decided to strengthen the political nature of the bloc, which presupposed the lessening of its military significance.

In June this year, at the committee's conference in Moscow, the Soviet Union agreed with its allies to map out and take concrete steps to curtail the military organisation of the Warsaw Treaty.

Soviet Defence Minister Dmitri Yazov said at a recent joint press conference with his US counterpart Richard Cheney: "We have arrived at the conclusion that the military organisation of the Warsaw Treaty is not needed." This is the gist of the Soviet stand.

Political observers paid attention to a recent report on the postponement of an extraordinary

conference of the Political Consultative Committee, originally scheduled for November 3-4.

Moscow thinks it would be more logical to hold the conference after the Paris summit of countries participating in the Conference for Security and Co-operation in Europe, which is expected to take major political decisions that would also affect the Warsaw Treaty.

In addition, all Warsaw Treaty members are interested in analysing new proposals concerning the functioning of the Treaty, as these are very serious issues that will have consequences for the entire situation in Europe.

Soviet Foreign Ministry spokesman Yuri Gremitskikh told a briefing on Friday, October 26, that a provisional commission of governmental representatives, set up by the decision of the Moscow conference of the Political Consultative Committee, was working out recommendations for the Treaty's transformation.

In the opinion of the Soviet side, work in the commission is proceeding normally. There are differences, but they are removed on the basis of compromise.

Moscow does not see any insurmountable obstacles to the successful completion of the commission's work and the subsequent approval of its results by the Political Consultative Committee. □

**East Siberian region proclaims independence**

THE Council of People's Deputies of the Irkutsk region, Eastern Siberia, has adopted a declaration of the equality and independence of the region within the framework of the united Russian Federation. Before a federal treaty is concluded, the declaration proclaims the exclusive right of this vast region with an area of 768,000 square kilometres to owning, using and managing its land, mineral resources, forests,

water resources, flora and fauna.

"The deputies took this step at a time, when the Yakut and Buryat republics, as well as other autonomous entities proclaimed or are close to proclaiming the raising of their status, to that of union republic. The step was taken to protect the interests of the three-million-strong population of the region, including the native population - Buryats, Evenks and Tofalars," said Viktor Ignatenko, Deputy Chairman of the Council. Specifically, before the federal treaty of Russia is signed, the declaration puts at the disposal of local executive authorities part of the goods produced in the region, including sawn timber, cellulose, aluminium, coal, liquid fuel, synthetic resin and so on.

By proclaiming the region an equal and independent subject of the federation, the council announced that the laws of Russia are valid on its territory. So far as law and other legislative acts of the Soviet Union are concerned, until the signing of a union treaty they are valid only after the ratification in the order, established by the Russian Parliament. □

**Soviet Interior Ministry on situation in Moldavia**

*The following statement by the Soviet Interior Ministry, distributed in Moscow on October 28:*

ON October 28, the situation in Moldavia remained tense. Opposition between the Gagauz population and Moldavian volunteers continued, but no open conflicts have been registered. No casualties have been reported.

In accordance with the request by Moldavian President Mircha Snegur, the Soviet Government ordered additional militia units to be sent to the state of emergency region.

The situation in Komrat, Vulkaneshty, Chadry-Lunga, Tarakliya and Kagul is under control. □

**Mikhail Moiseyev visits NATO headquarters**

MIKHAIL MOISEYEV, Soviet First Deputy Defence Minister and Chief-of-Staff, continued his visit to Belgium on October 25. He visited NATO's headquarters in Brussels to meet NATO Secretary-General Manfred Woerner and Chairman of the NATO Military Committee Vigeik Eide.

They exchanged views on prospects for strengthening security in Europe and the changing role of military-political alliances under the impact of sharply reduced international tension.

Moiseyev then attended a session of the NATO Military Committee. Eide welcomed him and stressed that the first ever visit by a Soviet military commander testified to the depth of changes in the world.

In his address to NATO chiefs-of-staff Moiseyev noted that major changes had occurred in the European political climate over the past year. Relations between NATO and the Warsaw Treaty Organisation are now being built on a new basis, the expansion of East-West contacts in the military field contributed to strengthening the atmosphere of trust and co-operation.

Under these conditions, new opportunities offer themselves for ensuring security by political means while scaling down the general level of military confrontation.

He stressed that the Soviet Union favoured creating a new, European-scale security system and a unified Europe promoting co-operation. The Soviet Union is carrying out its military reform, building and training its armed forces along these lines. □

**Saudi King receives Soviet minister**

KING FAHD of Saudi Arabia received Soviet Foreign Economic Relations Minister Konstantin Katushev in Jeddah on Saturday, October 27, the Mena News Agency reports.

During the meeting at the King's palace, the sides discussed prospects for developing relations between the two countries and issues of mutual interest.

Earlier, Katushev who arrived in Saudi Arabia at the invitation of the Saudi Minister of Trade to discuss the development of trade and economic relations between the two countries was received by Foreign Minister, Prince Saud al-Faisal. □

**The Wonders and Problems of Lake BAIKAL**

Lake Baikal is often called "the gem of Siberia" or "the Siberian Sea". It has a surface area of 31,500 square kilometres. Baikal is the world's deepest lake (1,620 metres), containing one-fifth of the fresh water on the surface of the planet.

Lake Baikal's water is almost as pure as distilled water. There are some 1,800 species of wildlife and vegetation living in the lake, and three-quarters of them are not to be found anywhere else in the world.

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**Latest from NOVOSTI**

**The full text of the economic plan approved by the USSR Supreme Soviet on October 19 is now available at £5.00 (inc. p&p) (55pp) from:**

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# Painful birth of a Soviet market and the West

By Vladimir Simonov, *Novosti* political analyst

CHAOS produces nothing but chaos. Economic confusion in the Soviet Union largely discouraged the West from helping Gorbachev, apprehensive of potentially disastrous labours of the mammoth economy giving birth to a market system.

Shall the West be a curious onlooker or an active midwife?

The answers and recipes are many, but unanimity is still out of reach. President Bush invites the US business community to take a closer look at the USSR, while the State Department warns: the Soviet economy these days is a bottomless fetid bog no decent man will venture to step in.

At a recent meeting of EC ministers Germany enthusiastically campaigned for massive aid to Gorbachev's reforms. Still, the recommendations for the EC summit in Rome include a warning against help to the Soviets.

Finally, do the Soviets whine for help? Ask Gavriil Popov, Moscow's Mayor, parliamentarian and celebrated radical. Here's his morose reply: "Western countries should refrain from collaborating with the present-day Soviet Government and other bureaucratic structures. They are doomed." This phrase carries a distinct flavour: of gloom so typical of the Sakharov times. Both then and now, economic aid is regarded not as relief or remedy, but rather a lever in the political struggle.

It looks as though the market transition plan that Gorbachev recommended to parliament has not in the least dispelled the fears of the business community. An attempt to avoid social calamities is only natural, but isn't the final version a bit too conservative? Among the alarming signs of the plan is the blunt refusal to recognise private property for anything, land first and foremost.

Besides, the plan is not complemented by a schedule. It took Mrs Thatcher over a decade to sell off a couple of dozens of state-owned entities, and how long will it take Gorbachev to privatise a behemoth economy?

In a nutshell, the West has sufficient grounds to be cautious, with the Soviet Union boasting nothing but a 3-4 billion debt.

However, most shrewd and far-sighted Western businessmen tend to see the USSR as a potential bonanza. This is really a life-giving approach for the hamstrung Soviet economy, striving for wealth and the long-forbidden profits.

Recently, Gorbachev made it clear for the West once again: energetic efforts to integrate the USSR into the world market are highly welcomed. The Soviet leader will undertake to swiftly remove all barriers on this way. In his paper on the transition plan he spoke about making the rouble convertible not as a distant possibility, but rather "a more important mechanism to be engaged in the nearest future."

Gorbachev seems to clearly understand the apprehensions of the West over a possible loss of its heavy investments. He sees insurance in a special fund accumulating and controlling foreign financial resources.

Obviously, foreign bankers are no longer sure who's the boss in the USSR, with Russia's chieftain Boris Yeltsin accusing Gorbachev of perpetuating command and administrative system

in the USSR and predicting the collapse of his programme within the next six months. Gorbachev retaliated by publicly reproaching Yeltsin for smugness, ill temper and authoritarianism. The rift between the two leaders seems to have widened. What about a soap opera "Kremlin: The Winding Corridors of Power" the script is available.

However, we can clearly see from Moscow that the West over dramatises tactical differences between Russia's chief and the President. At the same time, Yeltsin himself plainly states: "Both Gorbachev and I are open for dialogue. It does a lot of good for our common cause."

It looks very much as though the thorny path to the market itself will be the supreme arbiter in the dispute between the political movers and shakers. This process will serve as an objective coordinator of the plan which is now commonly regarded as an abstract sketch. Russia and the central authorities cannot move to the market economy by different ways and at a different speed. Despite apparent frictions, Gorbachev and Yeltsin will have to find a common language, if they want prosperity for their country.

What they really need now is business-like assistance, not a charity donation.

In the long run, a market economy in the USSR will bring about an expanded free world economy. According to John Phelan, New York Stock Exchange Chairman, these prospects promise vast possibilities for trade and investments for businessmen around the world. There is also a moral dimension to this problem: can the West allow Gorbachev the humanist reformer to lose at home, defeated by the swarms of social and economic misfortunes?

The transition to a market economy of a mammoth country is unprecedented. It arouses professional interest and lights up eyes. It is a test for the entire market system, not only the decrepit Soviet machinery. The Western businessman may stay aloof, of course, at the price of losing his ultimate choice. □

## Soviet Parliament considers preparations for winter

THE threat of a harsher than usual winter was debated by the Soviet Parliament on October 29. It considered preparations for this eventuality.

A reduction in the production of coal and oil and the poor condition of heat-supply pipelines may lead to the disruption of normal heat supplies for apartment houses and enterprises, aggravating the already complex situation in the country, some deputies believe.

On behalf of the government, a report on the subject was delivered by Lev Ryabev, Deputy Chairman of the USSR Council of Ministers. He gave a moderately optimistic estimate of the situation in the fuel and power sector.

Ryabev stated that, despite the five per cent lower production of oil and coal, "the country's requirements for fuel will be ensured on the whole" as a result of the rise in the generation of electric power, a three per cent increase in the production of gas, the change in the correlation between domestic consumption and export, and fuel saving measures.

At the same time, Ryabev admitted that 40 large cities in the Soviet Union experience a ten to 20 per cent shortfall in heat supplies and that the preparation of apartment houses for winter is not up to scratch everywhere.

Touching upon the "Basic Guidelines for the Stabilisation of the Economy and Transition to Market Economics," adopted by Parliament ten days previously, Ryabev emphasised the need to

"keep the fuel and power sector mainly as a union property and to develop the single power grid in future as well."

The existence of the single power grid in the Soviet Union makes it possible to save up to 15 million kilowatts of electric power a year, he said.

Nikolai Pivovarov, Chairman of the Parliamentary Committee on the Work of the Councils of People's Deputies, was more pessimistic.

"The reduction in the production and delivery of coal and oil and the failure to attain planned targets for the transportation and the creation of the necessary reserves of coal and oil and to bring into operation a number of power facilities have resulted in a disquieting situation," he said.

"The Supreme Soviet now should call the government to account for the unsatisfactory preparations for winter and demand that immediate extraordinary measures be taken," Pivovarov said.

Other deputies also voiced concern over the deteriorating situation in the power industry and the municipal economy. Many speakers pointed out that in recent years when the situation regarding power resources was much better than now, heating systems nevertheless malfunctioned, transport and industrial enterprises used to come to a halt in many cities.

Speakers said that the cut in appropriations for the development of the power industry resulted in a shortage of electric power in many cities. □

## Soviet Union and France sign new treaty

A TREATY on concord and co-operation between the Soviet Union and France was signed at the Chateau de Rambouillet near Paris on October 29 by visiting Soviet President Mikhail Gorbachev and French President Francois Mitterrand.

When opening the signing ceremony, French Foreign Minister Roland Dumas emphasised that it was a question of a "treaty of great significance." It is for the first time in the past 27 years that France signs such a bilateral document, Dumas said. □

## RELATIONS Problems and Prospects

Inter-ethnic conflicts in the Caucasus, the Baltic region and Central Asia have put perestroika to a serious test. A top item on the agenda is to further develop Soviet statehood on the basis of Lenin's principles of nationalities policy.

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