

Mikhail Gorbachev's report to the Congress of People's Deputies

The following is the full text of President Gorbachev's report to the Fourth Congress of People's Deputies of the USSR, delivered on December 17.

Comrade People's Deputies,

The situation in the country is difficult. Crisis processes are still mounting in the economy, the political and social spheres and in inter-ethnic relations. Stability and order have been undermined. This is felt by every man, every family, every work collective – by all the country.

Society is deeply concerned about the present and the future. Dissatisfaction with the work of central, republican and local authorities in these conditions is growing. This refers particularly to executive bodies.

The question is being raised with increasing frequency: is perestroika a correct course or not, are the assumed landmarks and goals correct, have we not strayed off course? People want to get to the bedrock reasons for current developments, to their essence.

All this is very serious. We are, indeed, living through a critical period. There is an obvious threat to the great cause upon which we have embarked five years ago and which has created preconditions for the country's profound renovation, for renovations in the world as a whole.

In light of this I want first of all to state the following:

Yes, we are really experiencing great difficulties today. We are in a dire situation. Perestroika is marked by pitfalls. It is painfully surmounting incredibly huge obstacles of an objective and subjective character.

The situation is largely explained by the deep crisis in which our society had landed long before 1985 and, of course, by the huge dimensions and complexity of the reforms we are carrying out on our way to humane and democratic socialism.

But this is not the only point. The country's leadership has made major errors and miscalculations in the course of perestroika. We underestimated the depth of our society's crisis. Insufficiently grounded and hasty decisions were taken during the implementation of our economic and political reforms. The emerging dangers were not always correctly and promptly assessed. We were not sufficiently resolute in our efforts to prevent them from turning into negative phenomena.

All this is true. These are serious lessons for us and for all our society, as a matter of fact. But

we must not panic. We must not succumb to difficulties and lose our heads. And the main thing: we must take use of the chances offered by perestroika in our effort to do away with the really grave dangers. And these opportunities are tremendous.

Perestroika has given society freedom and democracy, has awakened millions of people with their hopes, long suppressed interests, and with their huge desire for rapid changes. This is an immense achievement and a decisive factor, I am sure, for overcoming the present difficulties and embarking upon the broad road of reforms.

We have destroyed the mainstays of the totalitarian, administer-by-command system that hobbled society for decades. We agreed to transform relations of ownership in order to activate an individual's interests, giving him control over the means of production and the results of his work, and unfetter initiative. And I am sure that this, too, will greatly influence the dynamics of the nation's social and economic development if we follow this path firmly.

We have done away with the unitary approach to developing the multinational state and paved the way to the healthy ethnic rebirth of all peoples.

We have never known such freedom of thought. No one is now persecuted for dissidence. Victims of wholesale repression have been rehabilitated. People have again been given access to the treasures of domestic and world culture hidden away from them.

Our foreign policies have decisively helped improve the international situation. Together with other states, we removed the threat of a world nuclear war. Our troops have returned from Afghanistan and I am convinced that a recurrence of anything like that war will never happen again.

Favourable external conditions have been created for internal progress. We are directing colossal funds, freed as a result of the arms race, to meet popular needs.

This is why, being aware of all the complexity and danger of the existing situation, I am strongly against those – regardless of their motives – who wreak panic and interfere with the calm and confident search for the right decisions and with action prompted by the requirements of real life.

The only sensible policy now is to act together to stem the crisis, overcome our weak points, buck negative trends in society and steer the country, in 12 to 18 months, towards normal, healthy development along the path of renewal.

Popular sentiments are changing along these lines. This has been especially manifest since the federal Supreme Soviet on November 17 discussed a proposed package of measures and passed a state-of-the-union resolution.

People view it as a bold turn towards vigorous practical steps to rectify the situation.

The eyes of the nation are now fixed on this Congress. It is to take a number of crucial decisions, including those to revamp the executive branch and amend the Constitution. Most importantly, the Congress should reaffirm our resolve to act.

We should organise its work in such a way as

to meet popular expectations.

I.

Comrade Deputies,

The most essential thing needed to get over the crisis is to restore order to the country. This hinges on the issue of power.

If we have strong government, tight discipline and control over the fulfilment of decisions, then we shall be able to ensure normal food supplies, rein in crime and stop inter-ethnic strife.

If we fail to achieve this, a greater discord, the rampage of dark forces and a break-up of statehood would be inevitable.

The most resolute actions are needed in the current extreme conditions. There should be no delay. It is not a question of reversion to the methods of unlimited diktat and arbitrariness which we condemned and rejected. What I mean is an authority acting on the basis of law and capable of ensuring stability and civil peace and overcoming the crisis within the framework of legality.

Life itself led us to the presidential form of government, to the need to create political and state structures that would correspond to processes taking place in society.

I see the tasks of presidential power in the defence of rights of citizens, the honour and dignity of every person and in the normal functioning of the constitutional system and state institutions.

It is precisely for the sake of attaining these goals that a strong executive power at all levels is necessary – from the head of state down to executive committees in town and countryside – an executive power able to secure the observance of laws, the implementation of decisions and to maintain proper order and discipline.

It seems to me that all those who live on their own earnings and who cherish the destiny of our Motherland, its present and future, support such an executive power.

It is precisely these sections of society, these people, united in work collectives and public organisations, that constitute the social support of presidential power.

Intent on revolutionary transformations, executive power counts on support from youths, girls, and women of the country and is ready to widely co-operate with them in tackling state and social problems. Institutions for work among women and young people will be formed within the future structure of executive power.

The Communist Party of the Soviet Union has been and remains a natural and inalienable part of social forces.

Their co-operation will make it possible to attain the ultimate goal of perestroika: to renew our society within the framework of the socialist choice, along the lines of advance to a humane democratic socialism.

You have available in front of you the proposals on constitutional addenda and amendments in view of the reorganisation of presidential power. I will set out only some considerations.

Under the newly suggested structure, the President, who is the head of state, will be directly

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in charge of a cabinet of ministers, combine and co-ordinate the activities of all supreme federal bodies of power and administration. Thereby the dispersal of energies and the duplication of effort, which can be observed now, will be overcome, control will be tightened, and personal responsibility of officials for the work entrusted to them will be enhanced.

In such a diversified country as ours, the range of presidential tasks is immense, particularly now, during the transitional period. It is important that a vice-president who would have permanent duties and at the same time carry out specific assignments from the President.

A cabinet of ministers, headed by a prime minister, will be the executive staff of presidential power. The cabinet will include the heads of ministries and departments, in charge of those spheres of management that will be assigned to the union in line with the distribution of powers between it and republics.

The transition to a new structure at the all-union level will take some time. Some matters will be resolved without delay while others will be settled as they are worked out and as the economic situation changes, with due regard for increasingly widespread market relations and the activation of appropriate mechanisms.

The President bears full responsibility for the country's security. In our days, the notion of public security has become much better. It is not limited to the protection of the country from an outside threat but also covers the ensurance of the constitutional rights of citizens, the prevention of economic setbacks and disasters, and the ecological protection of the population. As you know, the ecological situation in this country is very serious.

The discharge of these functions prompts the need to have a special body in the form of a security council to the President. Such a council is to ensure the country's external and internal security in their indissoluble unity.

Accordingly, the ministries of defence, the interior, and foreign affairs, the State Security Committee and some other agencies should be represented in the council. It is also expected to include prominent scientists, experts and public figures enjoying prestige and influence in the country.

The President is the commander-in-chief and heads the defence council as one of the structural links of the security council.

Experience has convinced us that it is important not only to adopt correct laws and resolutions but also to see to it that they are undeviatingly translated into life, to control processes clearly and strictly.

This has called for the creation of the control chamber of the USSR Supreme Soviet and the inclusion of the supreme state inspectorate in the system of presidential power.

Each of these bodies has specific functions, but they have something in common. They are both links of a control system, which is devised to supervise, in conjunction with republican authorities, the implementation of regulatory enactments and the effectiveness of laws and presidential decrees.

A new role will be given to the federation council within the system of presidential authority. This move is connected with the transformation of our state into a union of sovereign republics. The new functions of the federation council are set out in the bill and have evoked likely interest and numerous discussions.

These discussions may continue, but the most correct solution is, to my mind, to let the federation council begin regular activity and perfect its functioning through experience.

Endless discussions can drown activity in verbiage and delay the solution of long-standing problems. We need this body. It reflects new realities connected with deep transformations of our multi-national state.

The federation council will help with its

authoritative advice to prevent disputes and find fair and sensible solutions. This evidently does not mean that the council will replace the principal bodies of the rule-of-law state such as the committee for constitutional compliance — in future, it will perhaps be the constitutional court — and the entire court system, whose role, I believe, will be enhanced in line with the further democratisation of society.

We have embarked on the road — and I am confident that we shall proceed along it — of further sharing the legislative, executive and judiciary powers. The advisability of such power relationships has been proved by world experience.

The new character of all union bodies is also reflected in the fact that they will operate with the direct participation of representatives of republics. This applies to the cabinet of ministers, ministries and departments.

I want to touch on the personnel problem. Changes in the functions and character of work call for the renewal of personnel of the federal bodies and apparatus. But naturally, this should not be done mechanically, but in a balanced way that will ensure continuity.

What criteria can be applied here? We need people who have already made a name for themselves as firm advocates of perestroika and its active participants. We need competent people, able, at this critical moment of our development, to solve practical problems in order to overcome the crisis.

Such, comrades, are the principal approaches on which a solid system of presidential power is being created. But this system can be effective only if all executive power in the country is exercised efficiently.

Today this is obstructed by the muddle we made of the delineation of powers between elective bodies and their executive committees, and by the rupturing of the executive power's vertical relationships. We are, in fact, confronted by a sort of paralysis of executive power at the grassroots, at republican level and even in the centre. Amendments to the Constitution must slash this knot.

Hence, under the presidency all executive bodies are to play a more important role and bear more responsibility for their work. We are taking corresponding measures even before the Union Treaty is concluded. We have no time to wait and the situation is, so to speak, taking us by the throat. We must act.

At the same time, I believe it was correct to include the discussion of the Union Treaty in the Congress agenda. A special report will be delivered on this subject. I only wish to outline my stand of principle on some key problems.

First of all, I believe there is every reason to say that the country and the people are becoming increasingly convinced that it is vitally important to preserve the union, of course, in a revamped form and on democratic principles, combining the USSR's sovereignty with that of the republics.

At the same time, I wish to stress that our republics' sovereignty is a historically irreversible stage in the development of our multinational state. But in our effort to do away with excessive centralism and unitarism, we must not allow the union to be turned into something amorphous or to disintegrate. This would hit hard at the destinies of millions of people and the world situation as a whole.

Today we have embarked upon the stage of radical reforms in our multinational state. Its future is being decided, and this means our own future, the future of every nation making it up. We proceed from the inviolability of the principle: every nation has the right to self-determination. But only the whole nation. Its will can best be expressed by referendum. And I submit the proposal to hold a nation-wide referendum, which will allow every citizen to say "yes" or "no" to the union of sovereign states built on federal lines.

Results of referenda in every republic will

provide the final verdict. As to secession from the USSR, it can be effected only in accordance with the existing law and with due account for all the aspects of this complicated political and socio-economic process.

And there is one more question of principle. We have been recently confronted by a situation when republics and other national-territorial formations announce all kinds of changes in their legal status, ignoring the existing Constitution of the USSR.

Roughly speaking, this "guerrilla-like" behaviour is fraught with grave disturbances and even chaos. It leads nowhere. And we have already felt this.

This is why I believe the Congress of People's Deputies must firmly declare: the Constitution of the USSR remains the supreme legislative act and must be observed without fail until the union treaty is concluded, which will decide the legal status of each signatory. The presidency will proceed from this premise in its efforts.

There is something else that cannot be overlooked when we discuss the situation in the country and the union treaty. Inter-ethnic strife and separatism, sometimes occurring simultaneously in several regions, primarily in the transcaucasian republics, the Baltic area, Uzbekistan and Moldova, have resulted in acute confrontations, have effected the population's living standards, endangered public security and produced tragic events. They call in question the very existence of our union.

Tolerance displayed in several cases by local and republican bodies, and, to be self-critical, by the President, has resulted in grave consequences. It is simply impermissible. Resolute measures are needed to cut short the destructive actions of separatist and nationalistic forces. Such demands are coming in from all parts of our multi-national state. They are the people's will. And I hope the Congress, expressing it, will speak up correspondingly.

Comrades, strong government is necessary today to launch a resolute offensive against crime and deal a crushing blow to banditism, economic sabotage, bribery, black marketeering, burglary and hooliganism. It was not enough simply to co-ordinate the efforts of law enforcement organs. Special structures are now being created under the President to combat organised crime. Tough measures are necessary and we will resort to them.

The statements recently made by leaders of law enforcement bodies and the Defence Ministry reflect this most clearly. This is the line of our presidency. It will be implemented without fail. We expect to receive the understanding and support of all people's deputies, all organs of power and society as a whole.

We will be more exacting to law enforcement bodies and will reinforce them. Their legal status will also be enhanced in order to dependably ensure the honour, dignity and life of law enforcement workers. The material basis of their far from easy and dangerous work will be improved. Additional measures will be taken to improve the living conditions of their personnel. It is necessary to promptly adopt a law on the militia and state security bodies.

There is also the question on our Armed Forces. They are responsible for the defence of our state. The Army is an important bulwark of the country's state sovereignty and its internal and external stability. It is now living through a period of in-depth reforms and requires utmost attention and care.

I believe that it is essential from this platform to resolutely denounce any mud-slinging and discrimination against our Armed Forces.

Any violations of the rights of servicemen and members of their families and any inhumane and perilously provocative actions with regard to their housing, trading and consumer services and to the job placement of retirees must be ruled out.

The Congress, I am sure, will express complete trust in the nation's Armed Forces,

their command, officers and men. I would like to stress that problems encountered by the Armed Forces will be the focus of attention for all bodies of presidential power.

II.

Comrades Deputies,

The top priority that the new and old structures of presidential power will start dealing with immediately is food supplies.

The current situation is not just a shortage of food. It is a result of disorder, lack of control, criminal negligence with regard to the population, unprecedented disruptions in supplies between republics and regions, severed economic links, and ruptures in the normal relationship between town and country.

Moscow, Leningrad, Sverdlovsk, Chelyabinsk, Kemerovo, Khabarovsk and other industrial centres are the hardest-hit.

Popular indignation reaches boiling point when people see that republics and regions fail to deliver food, while continuing to use metal, gas, oil and coal and receive motor vehicle and other machinery from industrial centres.

I ask: is this sovereignty? Is this what sovereign rights are asserted for?

I want to declare once more that thanks to our own production and imports, we can ensure per capita food consumption for 1991 at a level not lower than this year. But we must restore order in the use of food resources. This applies to harvesting, transportation, storage, processing and, most notably, distribution, the trading network.

Urgent measures are needed to mend things. And they are already being planned and taken.

Essential material resources are being set aside for collective and state farms and the whole agrarian sector.

In order to guarantee farm produce supplies to the state and provide greater production incentives, it has been found expedient to introduce state orders in 1991 for all land owners and users engaged in farm production for sale.

These shipments should not exceed 60 per cent of average annual purchases during the past five years. Payment will in this case be at state purchasing prices. All produce remaining after mandatory deliveries are complete may be freely sold on the consumer market.

More facilities are to go on stream in 1991 in the food and processing industries, making it possible to increase output by about five to six billion roubles. A considerable part of these capabilities will be commissioned as early as the first three to four months of the year.

With a view to putting farm produce produced by the population to rational uses, measures are envisaged to streamline the operations of the central council of consumer co-operatives, primarily to improve its facilities. This will make it possible to increase food supplies to the retail trade network by three billion roubles worth.

A great deal needs to be done, of course, to implement urgent measures to improve food purchases. First of all, the governments of republics and the executive committees of local councils are to sign, by January 15, state contracts to buy food with farms of every kind. Let me stress this, every kind.

Taking account of this year's lessons and disrupted supplies to industrial centres, I have proposed signing a food supply agreement between republics for 1991.

It provides for corresponding supplies to the centre and republics and for strict economic and legal accountability. All restrictions hampering food shipments in the country must be lifted. Otherwise artificial impediments will prevent the resolution of the principal task – transition to a market.

Such an agreement should be signed during this Congress and deputies will be informed on this score.

The Public Prosecutor's Office and law-enforcement agencies have been instructed to

increase their efforts, especially against organised crime throughout food supply lines.

State security services across the country have joined this drive due to its importance and to the fact that economic sabotage has been encountered in a number of cases.

I have decreed broadened powers of worker control inspectorates towards the same end. They will interact with law-enforcers. I hope local authorities and worker collectives will give them adequate support.

The measures are extraordinary in many respects. But we shall not be able to resolve the food problem and overcome the crisis if we fail to secure a sharp turn in our very attitude to farmers and to update the countryside's social services.

The peasant has always been and remains society's breadwinner. His arduous work calls for support by all means. Now that we call for transferring from words to deeds, this should first of all apply to the economic and social restructuring of all rural life.

The revival of the countryside is society's moral duty. This is why high priority is given to the land problem in the entire strategy of renewal.

We have spoken out in favour of a variety of forms of economic management in the countryside and have embarked on the road of transformations. We should follow this road, relying on the wisdom and common sense of peasants and all those who work on land.

The year 1991 must become the turning point in reforming land relations. I propose that this Congress adopt a special declaration proclaiming that from January 1, 1991, unhampered supplies of farm needs be ensured to farmsteads and individual citizens, and plots of land needed for farming be granted for lease or holding during their life-time with the right to be passed down as an inheritant.

A presidential decree will be issued advising that republican and local bodies grant additional plots of land to small-holding owners who want such additions.

We have prepared and sent to republics a decree on meeting the requests from individuals wanting to engage in gardening and kitchen gardening. An estimated five million hectares of land will be needed for the purpose.

Republican and local authorities will, without wasting time, have to compile inventories of all land, no matter to whom it belongs, and form state land reserves on this basis for consequent distribution to farmsteads, lease-holders, co-operatives and all individuals who express the desire to live and work in the countryside.

With this in mind, orders have been issued to work out and implement a system of privileges and incentives for peasants' and individual small-holdings.

To my mind, an understanding of all these matters is now taking shape in society. But there is one fundamental issue upon which views differ and the struggle is mounting – the issue of private land ownership.

My viewpoint on this issue was made known some time ago.

I think this is an issue for the whole people to decide.

By way of legislative initiative, as President, I propose that the Fourth Congress of People's Deputies consider mandating a referendum on the issue in the whole country (in each of the republics).

In closing, I would like to express confidence that the Soviet peasantry, workers in all arms of the agrarian sector will duly appraise the situation in the country and the support they will be given and make full use of the new conditions of economic management in order to step up food production and supplies to the population.

III.

On the stabilisation of the economy as a whole. The USSR Supreme Soviet has adopted the guidelines for the stabilisation of the national economy and the transition to a market-

based economy. This means that the period of discussions and comparing alternative projects is over. Time has come to act, the more so since the obtaining situation is far from simple.

The plan and budget for 1991 have not yet been approved. The reason for this is the lack of coordination in actions, the presence of contradictory laws passed recently by the federal and republican bodies of authority. An unprecedented situation has emerged, of confusion concerning the vital questions for working people engaged in the sphere of material production and in the branches financed from the budget.

It may happen that both the former and the latter will be left without earnings in January, if we fail to defuse the situation.

In this connection, I issued instructions to draw up a temporary agreement on economic affairs between republics for 1991.

The draft agreement has already been considered in all republics. Critical remarks have been received. The draft will soon be finalised and ready for signing.

I believe the leaders of the republics represented on the federation council understand the complexity of the present situation and the negative effects if the signing of this agreement is delayed and will show political wisdom and the sense of responsibility. This will remove obstacles to the functioning of the national economy during the complex period of transition to a market.

Taking into account that the coordination will take some time, I issued a decree on the preservation of present economic ties, and the government adopted ordinance to regulate economic ties and budget relations during the first quarter of the next year. Other urgent problems were also solved during these days.

We sought to defuse the situation in the light industry caused by delays in raw material supplies within the country and from other countries, measures have been taken to ensure advance purchase and delivery of the needed resources.

During this difficult period, much will depend on the operation of enterprises belonging to the fuel and power-engineering complex, transport and communication. Budget allocations being restricted, it has been deemed necessary to create a special stabilisation fund, one of the goals of which will be to ensure the dependable operation of these vital arms of the national economy.

I hope that miners, oilmen, railwaymen, communication workers and the personnel of key sectors are aware of how crucial this moment is and will do everything depending on them for the normal functioning of our entire economy. They have no lack of patriotism, responsibility for the country's affairs, and ability to work and to overcome difficulties.

The top priority problem for the country now is to normalise money circulation and to reduce the state budget deficit.

For this, the following measures will be taken: a sharp cut in production capital investments, a freeze on and sale of unfinished construction projects, the concentration of funds and material resources at top-priority projects, a considerable cut in subsidies for enterprises running at a loss, a cut in administrative and managerial spending and changeover of many budget-propped organisations to a self supporting basis, a cut in military spending, the termination of the printing of money to cover budget deficit.

The policy of drawing the population's money into both savings banks and a guaranteed purchase of durables, the sale of apartments, plots of land for orcharding and gardening, building materials, garages, and so on, will be continued.

A cabinet of ministers will tackle all this in real earnest and will regularly report back.

During the stabilisation stage we must have a mechanism of rigid linkage on the wage fund with the end results of economic management.

Look at the present situation.

This year's industrial output is expected to decrease by about 1.5 per cent while wages will grow by about eight per cent. This combines with the growth of other monetary incomes to mean inflation which swallows the increase in incomes and hinders the movement to a market economy.

It by no means follows from the above mentioned that any obstacle is being put in the path of high earnings. On the contrary, I proceed from the assumption that highly productive work must be accompanied by the growth of remuneration.

It is important that this growth should be directly and rigidly linked with an increase in output and a rise in the quality of products.

The coming months will be a period of active work to shape a market infrastructure and new forms of economic management in light of transition to a market economy.

Under the provisions of laws adopted by the USSR Supreme Soviet, the role of the banking system will radically change in the new year. The State Bank will be withdrawn from the system of executive power bodies. At the same time a network of commercial, joint-stock, co-operative and other non-state banks will receive large-scale development.

A few words about denationalisation. We view this process as the transition to a diversity of forms of ownership, to new forms of management, entrepreneurship, and as a means to lend dynamism to our entire economy through raising labour incentives. This approach has been approved legislatively. We shall follow it.

However, questions are arising in society. I shall answer the first of them as follows. Denationalisation may not be reduced to either a change of signboard at the union enterprises or to their transfer from union to republican ownership. That would merely be a change from the diktat of union ministries to that of republican agencies, which can already be observed. Denationalisation means that the enterprise should be a fully-fledged subject of the market.

There is another question: will the state remain an owner? Certainly it will. This is up to world practice. State property can be union, republican or belonging to local authorities — wherever it is necessary for the functioning of our entire economic mechanism.

But all types of state-run enterprises should operate on the same principles of a market economy and have equal rights with co-operative, joint-stock, lease-holding and other businesses.

It is now difficult to predetermine in detail how the denationalisation process will be carried out. A draft programme to denationalise property and demonopolise the economy has been prepared on my instructions. It should be most thoroughly discussed and worked out in society and in legislative power bodies, and only then be endorsed.

But it is perfectly clear that priority in the purchase of shares, bonds and buying out of businesses during denationalisation should be given to veteran workers and members of work collectives.

To stimulate denationalisation, it has been suggested that money from the economic incentives fund, as well as part of profit in 1991, be used for the buying out of shares to be transferred to the personnel of work collectives.

A USSR state property fund that is being established is to determine a procedure for the evaluation of property and distribution of shares among members of the collective. Such a fund should be fully established within the next few days.

Structural policy. This major component of our economic restructuring is aimed to encourage dynamism, social orientation of efforts and responsiveness to innovations.

Emphasis in investment policy is being laid on the development of science-intensive production processes and the introduction of resource-

saving technologies.

Conversion is of great importance in this respect — a well thought-out conversion being resolutely implemented in close conjunction with the modernisation of the entire machine building sector and in co-operation with foreign partners.

A draft of this programme was discussed in the Presidential Council with the participation of a large collective of scientists and experts.

Following an elaboration, the programme was endorsed. Practical work in sectors to implement it will develop on this basis. It is very important to retain and effectively use the highly qualified personnel who have worked in the defence sector until now and to rationally manage the assets and technological culture of those enterprises.

The programme envisages a system of incentives and safeguards to stimulate the production of civilian products.

We face a national task — to restructure organisational principles and incentives in academic and industrial science, and the entire educational system. We have begun with fundamental sciences. A state programme to develop higher education and school education is being prepared.

Perestroika aims to incorporate the country into the world economy. Several steps in this director have already been taken. We have abandoned total nationalisation of foreign trade, allowed enterprises to operate on the foreign market, opened the doors for foreign capital and moved away from ideological approaches in economic relations with several countries, which often led to squandering of our resources. Trade is now being pursued on a mutually advantageous basis.

Rouble convertibility. We have begun preparing for rouble convertibility. Previously we thought this was a task for the distant future. Life prompted a different approach. This will naturally require several stages. The first — convertibility on the domestic market.

Unfortunately, foreign trade structures have already been shaped. We have to pay for what was done by our predecessors. Energy and natural are our key exports. It is possible to act wisely even in this forced situation.

In 1991 we will employ foreign capital to modernise extracting, fuel and energy industries, to process raw materials and utilise abundant wastes, certainly with regard to ecological requirements.

Foreign investment should be attracted to industries that promise quick returns in terms of raising living standards — the light and food industries, new technologies, the energy sector, transport and communications.

The country's hard currency situation has deteriorated recently. A union-republican hard currency committee has been set up to regulate inter-republican and inter-industrial hard currency relations. The year 1991 will be the toughest in this respect. Payments on loans and credits will reach their peak. By 1992, payments will halve. Talks have been held with leaders of several countries to obtain credits. The day before yesterday, an EC summit agreed on credits and technical and other assistance to the Soviet Union in order to support our reforms, as well as on emergency food deliveries throughout 1991. Some food will be donated. However, everybody understands that although foreign aid and credits are very important, they alone won't solve our problems. We have to rely on our own potential, organisation and decisiveness in moving towards a market, and economic austerity.

Prices, incomes and social policy. In market economics prices will be set on the basis of demand and supply. This, however, cannot be done at one stroke. In case of an unbalanced market, unmanageable price growth would hurt living standards of many people.

We shall gradually extend the range of free prices, combining them with centrally set ones to protect the populace. All steps in this field

should be co-ordinated on the basis of agreements. The Federation Council with its new functions should play a big role in this respect.

Prices are already rising, everyone can feel that. The government should act to keep this process, which is unavoidable at the initial stage, from affecting people, especially those in the low-income bracket and those with fixed salaries such as teachers, doctors, servicemen, scholars, cultural workers and public servants, too painfully.

A number of decisions on these matters have already been taken. More than 65 billion roubles, for example, will be spent to materially support low-income people in 1991. This year the government alone has increased spending on social and cultural purposes by more than 30 per cent, a rise equivalent to that of the entire preceding 15 years.

Decisions have been taken to raise salaries for cultural, medical, educational and other workers in areas funded from the budget, and to markedly increase pensions, scholarships and motherhood grants. A special law was enacted recently on social protection for the disabled.

The federal Supreme Soviet has heard the first reading of a Bill on employment, which envisages reliable guarantees. A state employment service is being launched. The personnel training and retraining system is being expanded.

One special concern of the presidential system of power will be conducting an active social policy together with the republics in the field of medical services in order to improve health protection in the country.

In short, social policies shall continue gaining in strength and quality.

Finally, comrades, there is another indispensable condition for overcoming the crisis. It is the need to concentrate the nation's cultural and intellectual potential on constructive work. I applaud the big, invaluable contribution made by the scientific and artistic communities to renewal and democratisation efforts and to perestroika.

But the squandering of their energies by a significant number of intellectuals on bickering over the past and on infighting, does a disservice, helping stir destructive, destabilising passions.

Amid the escalating crisis, the talents and knowledge of some intellectuals have been directed not at pacifying peoples and looking for sensible approaches to worsened problems, but at fanning the flames, including in inter-ethnic relations where things have gone as far as overt enmity, bloodshed and confrontation between republics.

Both yesterday and even today, some intellectuals have not been balanced and responsible enough in their statements.

At the same time I subscribe to the concern by many intellectuals over the great influx of slick operators into the radio, television, cinema and press. Discrediting the title of a cultural worker and abusing freedom of creativity, these churn out vulgar hackwork, low-grade, inhumane stuff passed off for art, impairing public morals and compromising the very notion of culture.

I call on all intellectuals in this multinational country to carefully ponder their duty at this crucial time for the Motherland. I count on their understanding and support for practical measures to be taken by the presidential system of power to restore calm and order to the country and ensure conditions to continue profound democratic changes.

I call on the Congress to back a declaration passed on November 28 by a meeting of cultural workers from all over the country and addressed to governing councils at every level.

That document with a meaningful title, "Culture Will Save Society if Society Protects Culture", can and should form the basis of the government's cultural policies.

It also determines the criteria of conduct and activity on the part of all true intellectuals,

(continued on page 424)

Soviet and South Korean presidents sign declaration

OPENING a new page in the history of bilateral relations, the USSR and the Republic of Korea are fully determined to build their relations in the spirit of good-neighbourliness, trust and co-operation in the interests of the peoples of the two states.

These are the opening words of the declaration of principles of relations between the USSR and the Republic of Korea, signed by the presidents of the two states, Mikhail Gorbachev and Roh Tae Woo, in the Kremlin on December 14.

The sides expressed the intention to conclude various inter-state agreements to establish relations in the political, economic, trade, cultural, scientific, humanitarian and other fields.

The declaration stresses that the presidents support the desire of Soviet and South Korean business communities to deepen mutually beneficial co-operation.

It stresses that the sides will co-ordinate their efforts to fight international terrorism, organised crime and illegal drug trafficking as well as to protect the environment.

The USSR and the Republic of Korea confirm their commitment to establish equal and mutually beneficial relations in the Asian-Pacific region.

The presidents confirm their confidence that the development of relations between the two countries facilitates strengthening peace and security in this part of the world and contributes to regional co-operation, the easing of tension on the Korean Peninsula and the establishment of a climate of trust for the sake of the future unification of South and North Korea.

The declaration notes that the Soviet Union favours the continuing of a constructive inter-Korean dialogued aimed at removing political and military confrontation. The Republic of Ko-

rean stresses that the success of the Soviet reform policy is a major factor in future international relations.

The presidents proceed from the common understanding that the development of relations between the USSR and the Republic of Korea must by no means affect their relations with third countries, the declaration points out. □

★ Mikhail Gorbachev on Soviet-Korean relations

THE Soviet-South Korean documents signed in Moscow make it possible for relations between the Soviet Union and the Republic of Korea to rest on a reliable legal basis, President Mikhail Gorbachev told journalists on December 14. In a brief interview immediately after the signing of the declaration on general principles of relations between the USSR and the Republic of Korea, he said that Soviet-Korean relations have "favourable and good prospects."

Asked about the possibility of a visit to the Republic of Korea, Gorbachev said he had already received an invitation to visit that country.

"I think that we'll put it off for too long, although we should find a time that is convenient for both sides," he said.

The President said that during talks with President Roh Tae Woo, "a wide exchange of views on the situation in the Korean Peninsula" took place. According to him, the sides realise that at some stage, in a new international situation, it will be possible to implement the aspiration of the Korean people — the reunification of North and South Korea.

"I want the peoples of Korea to move more quickly towards each other," he said. The process of reunification "would have advanced more quickly if military confrontation had decreased and, especially, if there were already now a desire to make the Korean Peninsula a nuclear-free zone." □

Soviet President gives Nobel Prize money to children

PRESIDENT Mikhail Gorbachev has decided to donate his Nobel Prize money to health protection. He announced his decision in the Kremlin on December 14 after Anatoli Kovalov, the First Deputy Foreign Minister who had been to Oslo as the President's envoy, presented to him the Nobel Diploma, medal and the cheque.

Gorbachev added that the prize money, including the recently received Italian Fiuggi Prize, amounted to 1,167,000 US dollars.

"When thinking how to dispose of this money," Gorbachev said, "I decided that it should serve children in the first place, especially those who found themselves in ecological disaster zones and are in need of special care and treatment."

"So I will direct the money be used to purchase equipment for the following medical establishments: the children's ward of the regional clinic of the City of Mogilev (Byelorussia), the Ivankovo district hospital in the Kiev region, the district children's hospital in Nukus of the Karakalpak Autonomous Republic in Uzbekistan, the district clinic in the city of Aralsk in Kazakhstan, the republican children's clinic in Moscow and the surgical clinic of Moscow's hospital number one.

Gorbachev said that the money he received

★ Soviet-Korean investment documents signed

AN agreement between the Soviet and South Korean governments on the encouragement and mutual protection of capital investments was signed in the Soviet capital on December 14. On behalf of their respective governments, the document was signed by Soviet Minister of Finance Valentin Pavlov and Foreign Minister of the Republic of Korea Choi Ho Jung.

The novelty of the agreement consists in the fact that South Korean investors will be granted a status no less favourable than that of Soviet businessmen. The agreement is based on the Presidential Decree of October 26, 1990, "on foreign investments in the USSR."

The agreement provides for the compensation of damage or losses for foreign investors, guarantees to them the transfer of capital investments and profits in any convertible currency and sets the order of settling arguments between parties to the agreement. The term of effect of the agreement is 15 years.

Pavlov and Choi Ho Jung also signed the intergovernmental "convention on avoiding double taxation and preventing tax evasion with regard to income tax."

Pavlov described the agreement and the convention as fundamental documents for the development of Soviet-South Korean economic relations.

"These documents are the result of very intensive work of specialists from the two countries' ministries of finance," Pavlov said. "Now we can tell businessmen that we guarantee the protection of their investments."

The Soviet Minister of Finance believes that mutual advantages of Soviet-South Korean co-operation are enhanced by the fact that the economies of the Soviet Union and South Korea "can supplement each other very effectively."

The documents, signed today, will "open up broad opportunities for concluding credit arrangements and for the investments of Korean businessmen in the Soviet economy," Pavlov believes. "I hope that we shall continue joint work with our Korean colleagues," he stressed. □

for the publication of his book about perestroika in the USSR, a total 850,000 dollars, has been donated to him by health services and cultural projects. Part of this money has been transferred to the Party budget. □

Gorbachev orders crackdown on unlicensed experts

PRESIDENT Gorbachev instructed the government to work out and apply tough sanctions against exporters of raw and other materials that have not secured proper licences, quotas and contracts.

The crackdown is ordered in a decree on measures to prevent disruptions of production, which was prompted by "the unsatisfactory state of affairs as regards the signing of supply contracts for 1991" and issued in Moscow on December 14.

It nullifies, for next year, decisions by federal and local agencies that, it says, led to erratic supplies, direct exchanges in kind between regions and bans on product deliveries to other regions.

The decree binds all government-owned enterprises to sign delivery contracts covering centrally allotted quotas for 1991. □

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Shevardnadze talks to journalists en route to Ankara

"MY working visit to the United States and talks in Houston and Washington succeeded on the whole. We managed to settle many disputed points relating to the preparation of the strategic offensive arms treaty.

The treaty is now nearing completion and will be ready for signing by the Soviet and American presidents during George Bush's forthcoming visit to the Soviet Union," Soviet Foreign Minister Eduard Shevardnadze speaking to Soviet journalists on board his plane en route from Washington to Ankara.

"In Houston," the minister continued, "we presented to Secretary of State Baker a package of proposals for dealing with the yet-unsolved problems.

"His reaction was mainly positive and there is no doubt that the treaty will be ready for signing at the next summit. It was announced in Washington that it was due to take place from February 11 to 13. Some purely technical points remain to be cleared up.

"Another point I would like to make," Shevardnadze said, "is that we considered the entire range of Soviet-American relations, including their state and prospects for development, both in Houston and Washington. The US President said that he was very pleased with the present state of bilateral relations and announced major new initiatives to develop these relations further.

"The US Administration displayed initiative and courage in announcing - despite the still effective Jackson-Vanik Amendment which conditions the development of Soviet-American trade and economic relations on the adoption of the law on free emigration by the Soviet Union - its intention to offer the Soviet Union humanitarian aid (worth up to one billion dollars) and help restructure the Soviet Union's relations

Soviet Foreign Minister visits Turkey

TURKISH Foreign Minister Ahmed Kurtcebe Alptemucin, speaking in Ankara on December 14 at a luncheon in honour of visiting Soviet Foreign Minister Eduard Shevardnadze, said that, "the Soviet Union is Turkey's valuable neighbour and an important friend."

The Turkish Foreign Minister noted Shevardnadze's visit is the first visit by a Soviet Minister to Turkey after a long pause. It is very important, he said.

Turkey sincerely wishes to develop versatile relations with the Soviet Union based on good-neighbourliness and mutual co-operation. Turkey is convinced that new political thinking and its specific results in the world will help strengthen peace and stability in the world and rapprochement between peoples, Alptemucin said.

"As I set a foot on the Turkish soil, I understood that there are many things that connect us. I mean our current relations and great changes in our countries and their interaction, rather than the past," Shevardnadze said.

The Soviet Minister spoke about the prospects for and main directions in the development of Soviet-Turkish relations, noting that talks with the Turkish minister focused on bilateral relations.

Shevardnadze said the sides have agreed that the Turkish President Turgut Ozal will visit the Soviet Union. He said they are discussing a "new, encompassing treaty on friendly co-operation and good-neighbourly relations." Shevardnadze wished happiness, peace and prosperity to the Turkish people. □

with the world's major financial and economic institutions.

"These moves are of paramount importance to the Soviet Union," Shevardnadze said.

Asked about Soviet-American talks on regional problems, Shevardnadze said that the two sides shared an understanding of all major aspects of the Afghan settlement.

"Mutual understanding was reached even on such a sensitive issue as ending arms supplies to the warring factions in Afghanistan. But it was not easy to decide on the deadline for stopping arms supplies.

"Even if the problem is successfully solved," he noted, "it is impossible to block all channels through which arms can be brought into Afghanistan. This can beef up the muscles of the armed opposition and thus expand military confrontation.

"The Soviet Union and the United States made headway in discussing the normalisation of the situation in Angola, the Soviet Minister stressed.

"The joint statement on Angola, adopted in Houston, is convincing evidence of this.

"Work was continued in Washington, specifically during the meeting with the Foreign Minister of the Angolan Peoples' Republic and during the meeting with Jonas Savimbi, President of the Unita opposition party, the first contact of the kind at this level.

"The conversation helped overcome some prejudice on both sides," Shevardnadze noted, "and promoted mutual understanding."

"On the whole," he stressed, "Soviet-American co-operation to create conditions of peace and stability in Angola - the meeting with Savimbi was arranged on the American initiative - is a good instance of partnership relations between the USSR and the US. In the interests of third countries.

"The long years of our rivalry in Angola did no good to anyone and yielded nothing but grief and deprivation to the Angolan people," Shevardnadze said.

Shevardnadze sends text of Gulf speech to Parliament

"THE Soviet Union does not and never had plans to get involved in any form in a possible military conflict in the Gulf," Soviet Foreign Minister Eduard Shevardnadze emphasised in a speech handed to Soviet parliamentarians on December 12.

Shevardnadze was unable to speak at the parliamentary session personally because of his visit to the United States.

Shevardnadze sent the text of his speech to Parliament after the Soyuz Group of deputies on December 3 accused him of preparing for the use of Soviet troops in the Gulf without the agreement of Parliament.

"None of our moves on the international scene and none of our diplomatic actions implied, given even the wildest fantasy, any participation of Soviet combat, auxiliary or any other troops or units in any military operations in the Gulf area," the text of Shevardnadze's speech said. "Speculation on this score was totally groundless."

Shevardnadze noted that all UN Security Council decisions aimed to achieve a peaceful solution to the crisis, even in those cases when they did not rule out measures of coercion, including the use of force, against the aggressor.

The latest Security Council resolution, allow-

"Co-operation between our countries in this respect," he noted, "facilitates dispelling speculations about Soviet-American rapprochement being achieved at the cost of the interests of Third World countries.

As regards his meeting with Israeli Prime Minister Yitzhak Shamir, Shevardnadze told journalists that the conversation in Washington was "very interesting" and covered a broad spectrum of international, regional and bilateral problems.

"It is impossible to tackle the Middle East settlement on the whole without taking into account Israel's stand," Shevardnadze noted.

"To my mind," he said, "we lost much when we severed diplomatic relations with Israel. If we had not done so, we should have had a good possibility for influencing developments in that region.

"Since we are now talking about the resumption of normal relations between countries, it should be noted that the Soviet Union does not put forth any preconditions. Events are developing in the right direction.

"The process of establishing normal relations between the USSR and various other countries is gaining momentum. Suffice it to recall the recent establishment of diplomatic relations with South Korea, Saudi Arabia, Gulf countries and Honduras.

"To my mind, countries, which did not sever diplomatic relations with Chile directly after the dictatorial regime was established there, were right: we now have to build and create everything from scratch there.

"With this in mind," Shevardnadze said, "why shouldn't we have normal relations with such countries as South Africa? Normal relations would permit us to positively influence processes in that part of the African continent.

"Of course, while in the United States, we also considered the entire range of problems relating to the solution of the Gulf crisis," Shevardnadze said in conclusion. □

ing the use of force after the 'pause of goodwill' expires, pursues the same goal and, we hope, will bring about a political way out of the crisis - substantial indicators are already available on this score, Shevardnadze stressed.

"I dismiss as naive accusations by those who would like to project matters as if the Foreign Ministry and the minister personally are heading towards a war in the Middle East," Shevardnadze said. "We did not nurture this thought even for a single moment. We totally excluded this."

Shevardnadze admitted that in his interviews he said that contingencies could emerge when executive power would have to apply extreme measures without agreement with Parliament because it would not have time for this.

"We will act this way if the lives and security of Soviet citizens appear to be jeopardised, when rapid and decisive actions are needed to save them," Shevardnadze stressed. "Each Soviet man should know that the country is behind him and it will not allow any harm to be caused to him."

Shevardnadze noted that leaders of Arab countries did not doubt the correctness and consistency of the Soviet leadership's position on the Gulf crisis. He emphasised that the USSR had close and friendly relations with a larger

(continued on page 424)

Shevardnadze and Baker cite good progress on START Treaty

By TASS correspondents Andrei Fedyashin and Georgi Shmelev:

US Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze stated in Washington on December 12 that during their working meetings in Houston and Washington they made "good progress" in their work to finalise the Strategic Arms Reduction Treaty (START).

They voiced hope that this major Soviet-American accord would be signed during a meeting between US President George Bush and Soviet President Mikhail Gorbachev in Moscow on February 11-13, next year.

Baker and Shevardnadze spoke at a news conference held in the White House after the US President announced the date for the forthcoming Moscow summit and a package of measures to render technical and financial assistance to the USSR.

The announcement of the summit date followed immediately after an hour-long meeting between Shevardnadze and Bush.

In response to questions connected with the START Treaty, Baker said: "We made some very good progress in Houston."

"There are still some issues that remain," he added. "We would hope very much that the treaty would be ready for signature over the February 11 to 13 period in Moscow," Baker said.

The remaining issues are very technical ones involving "some verification issues, respecting monitoring of solid rocket facilities or missile assembly facilities," he added.

Asked whether the US decision to help the Soviet Union was a "pay-back" for the USSR's co-operation with the US in their efforts to settle the Gulf crisis, Baker said:

"You shouldn't consider any of the steps taken today to be a payoff or a pay-back for the co-operation across a broad range of issues. We've talked about our co-operation with respect to settling regional conflicts, our co-operation with respect to arms control. And this pattern and spirit of co-operation developed many years ago and has been improving as we move along.

"So none of the issues today - I mean none of the measures announced today are in any sense a pay-back. It is very much in the national interests of the United States to see the Soviet Union succeed in their efforts to reform politically and to move to a free market economic system," he said.

Shevardnadze said, for his part: "Let me say a few words in connection with President Bush's remarks. I believe that he has made a very important statement, particularly as regards President Bush's visit to the Soviet Union.

"We understand that during the visit of President Bush to the Soviet Union very important agreements will be signed. First of all, the first treaty reducing strategic offensive arms, a treaty that the whole world is interested in seeing, and in addition to that a very important package of other agreements is emerging and it will be signed as regards our co-operation in trade, in the economy, in science and technology. And specifically I would like to mention the investment treaty.

"And, secondly, the President has made a very important statement about his support for the changes taking place in the Soviet Union, and I am referring to his decision to waive the Jackson-Vanik Amendment, and that will make it possible to give credits for the supplies of food to the Soviet Union.

"I know that it was not easy for the President to take the decision, and therefore we very much appreciate the President's decision. And I am sure that everyone in the Soviet Union will welcome and appreciate that decision.

"I also believe that it is very important that the President has decided to favour a special status of association for the Soviet Union with the International Monetary Fund and the World Bank.

"A question has been asked here whether this was some kind of pay-off or pay-back for some co-operation from the Soviet Union, or this means that we are in a new relationship, a new full-scale relationship with the United States.

"I think what the President has just announced, and what the Secretary of State's remarks show, that we are indeed in a very new phase of our relationship. There was no crisis in the Persian Gulf when our two presidents met at Malta. And then were other talks and discussions between them.

"And I am also referring to our ministerial meetings at Wyoming and Irkutsk where we spoke about co-operation and partnership. And all the other things such as the Persian Gulf crisis and our co-operation on the Security Council resolutions, that was after those important events.

"And let me say how profoundly I am gratified that we indeed are witnessing a new relationship, a new kind of co-operation. Let me express my gratification and my appreciation to the people of the United States, to the President and the Secretary of State for the support of your country at this very difficult time for us," Shevardnadze said.

When asked what specific amount of credits to the USSR can be expected following the President's decision to waive the Jackson-Vanik Amendment (which links the normalisation of trade relations with the freedom of emigration from the USSR), Baker answered: "Five hundred million dollars to a billion dollars - somewhere in that range."

"One of the things the President announced was a technical and economic assistance programme to assist with the problems of distribution," Baker went on to say.

"The problems that exist today, I think - and we discussed this in Houston - have been and are being considered by the Soviet leadership in terms of making sure that the supplies which are purchased on the basis of these credits get where they want them to go.

Now, they know exactly where they expect to see shortages during the course of this winter as they move toward a market economy," Baker said.

Asked why a law on emigration has not yet been adopted in the Soviet Union, Shevardnadze said: "As you might know, the draft emigration law has been prepared. The Soviet Foreign Ministry is one of the authors of that legislation. That legislation has been adopted in first reading by the Supreme Soviet. And I have no doubt that very soon there will be a final vote and that legislation will become law."

"We have received assurances from the minister and the government of the Soviet Union that the pattern of emigration that has pertained over the past month and even years, when there has been a great increase in the ability of people to emigrate from the Soviet Union, will be maintained and will be continued," Baker added.

"And you have just heard the minister say that they will continue to press the Supreme Soviet to pass the emigration legislation.

"Let me make sure that everyone understands. Here we are talking about a waiver of the Jackson-Vanik Amendment that permits the Soviet Union to purchase from private sources in the United States food products, primarily grain, the repayment of which will be guaranteed by the United States Government.

"This is not the equivalent of the granting of most favoured nation trading status. That, of course, has not been done, and that takes the conclusion of a trade agreement.

"The waiver will have to be reviewed. It is my understanding that the law requires a review in July of 1991," Baker said.

Shevardnadze and Baker were asked a question about the internal situation in the Soviet Union.

In response to it, the Soviet minister said: "That there is certain instability in the Soviet Union and we are worried about that, that's a fact. But I will not say that we are on the verge of a civil war. I have no doubt that the Soviet people will cope with their problems.

"And I would like to support what the President has just said, that it is up to us Soviet people to cope with our tasks and our problems. And we certainly very much appreciate US support," Shevardnadze said.

"You heard the Foreign Minister of the Soviet Union give you an answer with respect to the question of stability. Let me simply say that instability in the Soviet Union is very definitely not, in my view, in the interests of the United States of America, and instability in the Soviet Union is not, in my view at least, in the interests of the world," Baker emphasised.

"Let me add something to what the Secretary has said," Shevardnadze said. "It would be a terrible thing if we were unable to assure stability in the USSR. It would be a terrible thing for Europe and for the world. It would mean negating the very important treaties signed in Paris, the historic treaties signed in Paris. And let me assure you that we are aware of our responsibility to our people and to the world." □

Joint statement on Angola

REPRESENTATIVES of the United States, the Soviet Union, Angola, Unita and Portugal held consultations at the US State Department on Thursday, December 13.

A joint statement distributed in Washington after the meeting reads that the consultations continued discussions between Soviet Foreign Minister Eduard Shevardnadze, US Secretary of State James Baker, Angolan Foreign Minister Pedro de Castro van Dunem and Unita President Jonas Savimbi on a settlement of the Angolan conflict with the good offices of Portugal. The discussions were held in Washington on Wednesday, December 12.

"The purpose of today's discussion was to verify agreements already reached and to help reduce the number of areas of disagreement that still exist. We believe that significant progress has been made, and that the prospects for a successful sixth round of negotiations in Lisbon early next year have been enhanced," the statement reads.

The statement notes that participants in the consultations "were favourably impressed by the friendliness of the atmosphere created by the two Angolan parties as well as by the seriousness of their approach to the negotiations." For the future, we expect official negotiations will continue as before through the good offices of the Portuguese Government," the statement reads.

Speech by KGB chief on Soviet television

"THE KGB services and troops are implementing and will implement their functions to protect state security over the entire territory of the Soviet Union and to defend its borders," KGB Chairman Vladimir Kryuchkov said on December 11, speaking on Soviet television on instructions from President Mikhail Gorbachev.

Describing the situation in the Soviet Union, Kryuchkov said that "the danger of the Soviet Union's disintegration has developed. The flames of national chauvinism are being fanned up, and mass rioting and violence are being provoked."

Anti-communist forces are scrambling for power, using undemocratic tactics. The State Security Committee has information that lists of people "who must be neutralised, if need be," are being compiled in some potential flash points.

"Now, when our country needs unity more than ever, we face actions disuniting our society and undermining the fraternity and friendship of nations and peoples," he continued.

"KGB officers resolutely advocate the revitalisation of our life," Kryuchkov stressed.

"For this purpose," he said, "KGB services will firmly guard security, legality, law and order. They have blocked and will continue to block the road of forces which want to push the country to the edge of the precipice."

Turning to the operations of the State Security Committee at the present stage, Kryuchkov said

that the KGB was set up to ensure the state's most important functions recorded in the Soviet Constitution: the protection of the social system's foundations, Soviet democracy and state unity of Soviet people.

Attempts to interfere with these operations will be resolutely spotted by every means at the KGB's disposal, he noted.

KGB officers see their duty in preventing foreign intelligence services from interfering in Soviet domestic affairs.

They also prevent such interference from foreign organisations and groups which have been waging a "secret war" against the Soviet Union for decades with assistance from foreign secret services.

Kryuchkov said that "the State Security Committee gives priority to the instruction by the Soviet Parliament to fight economic sabotage and implement control over purpose-oriented use of imports."

He noted that KGB officers have started to take the appropriate measures.

Kryuchkov called on all the Soviet people to pool their efforts in the struggle against encroachments on the socialist state and social system, organised crime, economic sabotage, corruption and manifestations of extremism.

He guaranteed that all applications by Soviet citizens to the KGB on these matters would be examined quickly and in an unbiased way.

"KGB officers will effectively help the efforts by bodies of state power of the USSR and union republics to normalise the situation in the country and to pull it out of the deep crisis," Kryuchkov concluded. □

Russian Premier meets German Chancellor

GERMAN Chancellor Helmut Kohl met Prime Minister Ivan Silayev of the Russian Republic in Bonn on December 13 for a friendly candid discussion of political and economic matters.

Silayev briefed the Chancellor on the progress for implementing Russia's plan for the transition to a market economy and outlined opportunities this process offers to the German economy.

Both sides confirmed their readiness to contribute to the expansion and deepening of mutually beneficial contracts between enterprises, firms and organisations of German states and the Republic of Russia.

Kohl and Silayev discussed specifically problems to be settled in order to give a boost to the development of economic, scientific and technical contacts.

The considered co-operation in personnel training and retraining and active German involvement in housing construction on Russian territory, following the withdrawal of Soviet troops from Germany.

Silayev and Kohl agreed that the new phase in relations between the German people and the peoples of the Soviet Union opens up broad opportunities for partnerships of all kinds between German states and Soviet republics.

Consolidation of bilateral relations was also in the focus of the conversation between Silayev and German Foreign Minister Hans-Dietrich Genscher.

They noted that radical changes in the international situation created favourable preconditions for stable long-term interaction between Federal Germany and the USSR, German states and the Russian Federation in a variety of fields.

Genscher and Silayev stressed the paramount importance of the recently signed Treaty of Good-neighbourliness, Co-operation and Partnership between the USSR and the Federal Republic of Germany, as well as the agreement on large-scale economic co-operation and the development of various contacts on the state and the republican levels.

They recalled the centuries-old fruitful ties between the two peoples, economies and cultures and noted that alienation and enmity were receding into the past. □

GORBACHEV'S REPORT

(continued from page 420)

especially in this disquieting period.

Aware of the irreplaceable, rallying role of culture, the presidential system of power shall act precisely in this spirit, supporting creative forces in every way and increasing the cultural potential of society. Commercial, let alone mercenary-minded, approaches are inadmissible in this sphere.

The guidelines here are known – the future of the Motherland, the moral health of peoples, the development of the nation's intellectual capabilities.

All this is part and parcel of, as well as a powerful factor for, national renewal within humane, socialist choice.

Comrade Deputies,

I have left quite a few urgent issues uncovered: I thought it necessary to take up the most burning.

In conclusion, I would like to repeat what I said at the beginning. The situation demands mobilising all material, human and intellectual resources to negotiate the watershed at which the country has found itself, cope with difficulties in updating society and reach the path of dynamic development.

Our urgent tasks and our immediate prospects and goals are now clear. All of us should get down to practical work. We should decisively do away with politicking, sloganeering, passion-forming and confrontation.

We need discipline, including self-discipline, civil accord and hard selfless work now like never before. We also need confidence in ourselves. We should neither give up ourselves nor scare other people with talk of impending catastrophe.

In short, the entire society, all worker collectives, each of us should go from words to deeds and make decisive headway. □

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