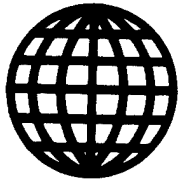


106120

JPRS-EER-88-019
7 MARCH 1988



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

East Europe

19980612 079

DISTRIBUTION STATEMENT A

**Approved for public release;
Distribution Unlimited**

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

DTIC QUALITY INSPECTED 6

10
70
A04

East Europe

JPRS-EER-88-019

CONTENTS

7 MARCH 1988

POLITICAL

BULGARIA

Territory, Population of New Administrative Units	1
---	---

CZECHOSLOVAKIA

Central Committee Wants More Activity in National Front [ZIVOT STRANY No 26, 1987]	1
CPCZ Weeklies Take Hardline Position on 1968	6
TRIBUNA Upholds Lessons [Karel Horak; TRIBUNA, 6 Jan 88]	6
TVORBA's Position Less Vehement [Josef Meisner; TVORBA, 5 Jan 88]	11

HUNGARY

National Assembly Deputies Seek Curbs on Presidential Council [MAGYAR NEMZET, 8 Dec 87]	13
New 'House Rules' for National Assembly Under Consideration [Mihaly Korom Interview; MAGYAR HIRLAP, 24 Dec 87]	14

POLAND

Party Activities Calendar 26 October-8 November 1987 [ZYCIE PARTII, 18 Nov 87]	17
Party Activities Calendar 21 December 1987-3 January 1988 [ZYCIE PARTII, 13 Jan 88]	19
Commentary Denies Weaker Party Role With Reform [Wieslaw Kandziora; GAZETA POZNANSKA, 19 Oct 87]	20
Closer Prosecutor, Media Cooperation Explored [RZECZPOSPOLITA, 18 Nov 87]	21
Local Decisionmaking Promoted [TRYBUNA LUDU, 19 Nov 87]	22
Call for Less Party Agitprop, More Cooperation, Action [ZYCIE PARTII, 13 Jan 88]	22
Critique of CPs Notes Need for More Ideological Reorientation [Wladyslaw Markiewicz; TRYBUNA LUDU, 10 Nov 87]	23
PRON Youth Forum Questions Reform Issues [RZECZPOSPOLITA, 18 Nov 87]	24
PRON's 'Confrontation' Aims To Break New Ground, Reach Young Intellectuals [Piotr Rzdaca; TRYBUNA LUDU, 4 Jan 88]	25
OPZZ, PRON Submit Housing Propositions [TRYBUNA LUDU, 17 Nov 87]	25
ZSL Official Critical of OPZZ, Rural Conditions [Kazimierz Olesiak Interview; ZYCIE WARSZAWY, 8 Jan 88]	26
Krosno PZPR Notes Worker Numbers in Membership [NOWINY, 30 Oct 87]	27
Bydgoszcz Defense Committee Meeting Reported [GAZETA POMORSKA, 29 Oct 87]	28
Free University Society Meeting [TRYBUNA LUDU, 19 Nov 87]	28

ROMANIA

Hunger, Corruption Drive Ethnic German Emigration	28
High Price, Short Supply of Food [Hans Schiemann; RHEINISCHER MERKUR/CHRIST UND WELT, 1 Jan 88]	28
80,000 Seek Exit Visas [Hanspeter Muss; RHEINISCHER MERKUR/CHRIST UND WELT, 24 Dec 87]	31

MILITARY

POLAND

Army Seminar on Philosophical Training [ZOLNIERZ WOLNOSCI, 11 Feb 88]	33
---	----

ECONOMIC

INTRABLOC

- GDR Role in CEMA Joint Industrial Policy Examined
[Heinrich Machowski; *DIW VIERTELJAHRSSHEFT ZUR WIRTSCHAFTSFORSCHUNG* No 1/2, 1987] 34

ALBANIA

- Prospects for Increased Foreign Trade Reviewed
[Viktor Meier; *FRANKFURTER ALLGEMEINE*, 28 Dec 87] 45

CZECHOSLOVAKIA

- Air Transportation in CSSR and Developments Viewed
[Frantisek Louda; *HOSPODARSKE NOVINY*, 11 Dec 87] 46
- Mikroelektronika Founding by AK JZD Slusovice Discussed
[Kveta Cerovska; *SVET HOSPODARSTVI*, 1 Dec 87] 48

GERMAN DEMOCRATIC REPUBLIC

- Key Technologies Spur Development of Productive Forces
[Gerhard Schulz, Klaus Steinitz; *WIRTSCHAFTSWISSENSCHAFT* Vol 35 No 12, Dec 87] 49
- Academy of Agricultural Sciences Chooses New President
[*DEUTSCHE BAUERNZEITUNG*, 16 Oct 87] 61

HUNGARY

- Continuing Restrictions on Foreign Trade Discussed
[Tamas Bacskai Interview; *NEPSZABADSAG*, 19 Dec 87] 62

BULGARIA

Territory, Population of New Administrative Units
22000019 Sofia *POLITICHESKA AGITATSIYA* in
Bulgarian Issue 2, Jan 88 (unpaginated insert)

[Text]

of policy, of the necessity to have people more universally informed and gaining their broad participation in the administration and management of social affairs and public control.

The necessity to achieve further development of socialist democracy, the restructuring of social relationships

The New Territorial Units - Oblasts

Oblasts	Territory		Population		Number of Municipalities
	Sq. KM	%	Persons	%	
Burgas	14 664,7	13,2	872 487	9,7	21
Varna	11 918,4	10,7	978 551	10,9	30
Lovech	15 182,5	13,7	1 074 810	12,0	32
Mikhaylovgrad	10 570,1	9,5	674 438	7,5	33
Plovdiv	13 617,4	12,3	1 252 695	14,0	34
Razgrad	10 812,6	9,7	849 384	9,5	27
Sofia	19 087,5	17,2	1 018 748	11,4	45
Khaskovo	13 864,0	12,6	1 042 810	11,6	27
Sofia City	1 194,3	1,1	1 204 273	13,4	24
Totals	110 911,5	100,0	8 968 196	100,0	273

CZECHOSLOVAKIA

Central Committee Wants More Activity in National Front

24000042 Prague *ZIVOT STRANY* in Czech
No 26, 1987 pp 3-6

[Editorial: "On the Activation of the National Front and of the Organizations Affiliated With It"]

[Text] The Presidium of the Central Committee of the CPCZ discussed proposals directed at the activation of the National Front and of organizations affiliated with it and at increasing their participation in the formation, realization, and control of policy.

The accepted document states that the significant enrichment and development of the policy line aimed at accelerating the socioeconomic development of the country, which was proposed by the 17th Congress of the CPCZ, represents the conclusions of the session of the Central Committee of the CPCZ in March of 1987, which stipulated the basic approaches and tasks of restructuring in all areas of life in our society. In so doing, it used the inspiring initiatives and thinking of the January session of the Central Committee of the CPSU.

The Central Committee of the CPCZ designated the democratization and activation of the political system, the development of socialist self-government, the fuller application of the creative forces of people in socialist development, an increase in their social activity and initiative as one of the decisive directions of restructuring. It stressed the necessity for greater openness in terms

places increased demands, and, in many respects, new demands upon the position and functioning of the voluntary association of political parties, of social and special-interest organizations within the framework of the National Front which, under the leadership of the CPCZ today forms the permanent broad and universal foundation of our political system.

I

The National Front originated, took its shape, and underwent national revival at the initiative and under the leadership of the CPCZ in the struggle of our peoples against the fascist occupiers, in the struggle for liberation, for the creation of a republic which would be just from the standpoint of social justice and justice for minorities, based on the friendship and alliance with the Soviet Union, the struggle for the attainment of the goals of national and democratic revolution. It played an important task in the decisive class struggle and the victory of the working people over the forces of reaction in 1948 when the revitalized National Front became the political expression of the unity between rural and urban workers, headed by the working class which decided to adopt as its goal the establishment of socialism in our country.

The platform of the reborn National Front fully proved itself in the period during which revolutionary socialist social changes were being realized. Under the leadership of the CPCZ, new opportunities became available for firming up and developing the permanent strategy of the association, of the alliance, of the political-moral unity of people, and, simultaneously, for the determination of

the immediate goals, methods, and forms of organization of the political system of the socialist society, the basis for which is the National Front, in such a way that they would reflect the attained degree and requirements of further development of society, and be commensurate to its internal as well as external conditions.

The gradual weakening of this strategy, particularly of the leading role of the party in society during the 1960's, became one of the causes for the ripening and origination of the political and social crisis, the roots and sources of which are analyzed in the "Lessons From the Crisis Development Within the Party and Society Following the 13th Congress of the CPCZ."

Following the ascent to power of a new leadership of the CPCZ in April of 1969, there occurred a gradual consolidation, even within the National Front. Its further development was significantly influenced by the all-state conference of the National Front in 1971, by the speech made by Comrade Gustav Husak, by his election to the position of chairman of the Central Committee of the National Front of the CSSR, by the adoption of documents which became the points of departure for its further development.

The years which followed and the overall development beginning with the all-state conference of the National Front fully confirmed that the tasks, the basic principles, were established correctly, that there was a deepening and strengthening of its social mission. The socialist character of the National Front was renewed and further developed as a political base of the class union of workers, farmers, the intelligentsia, and other workers, of the unity of our peoples and minorities, as a platform unifying the efforts of Communists, those without party affiliation, and of members of other political parties in socialist development. Through it, citizens share in decisions pertaining to local and national affairs, which represents an important aspect of the democratism of our political system. The National Front is conceived as an open system which makes it possible to accept even additional organizations. In it, citizens have the right to exert their initiative, to make alternate proposals, to engage in criticism, and to raise objections. The National Front is not and cannot, however, be the place for political opposition.

Under our conditions, the National Front is made up of political parties, social groupings, and special-interest organizations. By their numbers and high degree of organization—around 95 percent of all adults are members—by their structure and variety of activities these organizations represent a broad base for the development of activity on the part of people, for their social self-realization, their participation in socioeconomic changes in the country, and the management of public affairs. (The CPCZ, the other political parties, the 25 social groupings and special-interest organizations which are united in the National Front have a total membership of 28 million members. This means that every

citizen can be a member in several organizations. In accordance with Law No 68/1951 of SBIRKA ZAKONU some 297 voluntary organizations and associations are active in Czechoslovakia outside of the National Front.)

National Front organizations approach the realization of the program of the 17th Congress of the CPCZ, which they voluntarily adopted as their own, with initiative. They stimulate the activity of their members toward the fulfillment of tasks involving the social, economic, and cultural development of the country. They seek ways in which they can effectively share in the intensification of the national economy, they participate in fulfilling the election programs of the National Front. They share in realizing the peaceful policies of the CPCZ and the National Front, they contribute to the education of people, to the shaping of a socialist way of life for them, they strive to satisfy the interests, needs, and preferences of their members. They are expanding their cooperation and collaboration with state organs, particularly with national committees.

However, there are many shortcomings and unsolved questions pertaining to the functioning of the National Front and the organizations affiliated with it. Primarily, current opportunities which the base of the National Front creates for the broader participation of citizens in the administration and management of social affairs, for the formation of policy, are not being utilized. Party and state organs are adopting decisions having to do with broader political and social affairs without National Front organs expressing themselves with respect to the most serious questions. And, so, the National Front, the other political parties, or social organizations frequently only take cognizance of resolutions adopted by party and state organs. In practical terms, the task of the National Front, the work of citizens in social and special-interest organizations, and in other political parties is underestimated. The base of the National Front is inadequately utilized in the development of the creative activities of people also because the National Front does not fully develop the necessary initiative with respect to state organs and their institutions.

There are cases when organs of the National Front intervene inappropriately in the activities of social and special-interest organizations, where they attempt to direct them, where they demand a disproportionate number of reports, and statistical and information reporting which have no practical application. The actions of organs of the National Front are only slightly aimed at solving basic tasks at individual locations and on a national scale.

The actions of the social and special-interest organizations are frequently weakened by the fact that they apply their specific characteristics in an inadequate manner, by the fact that counterproductive overlapping of their individual activities occurs. Thus, it happens that people attend a multitude of meetings, instruction courses, and

actions having the same content and method of presentation. Tasks are adopted which are not always in accordance with the mission and character of the organization involved and, particularly, are not always in accordance with its opportunities. In some cases, the forms and method of party work are taken on mechanically.

The work initiative which the organizations develop in production for the most part pays tribute to the extensive method of developing the economy. This initiative is frequently dictated from above and is accompanied by a mass of useless administrative work. Political educational work is not very persuasive, it frequently repeats well-known facts, reacts inadequately to the requirements of the locale or workplace, reacts inadequately to the opinions and worries of the people. Oftentimes it is replaced by organizing self-serving activities which cost much in terms of forces and resources.

Centralized management was unilaterally strengthened during the practical application of the principles of democratic centralism. As a result, not only the content of activity but also the form and method of work in social and special-interest organizations are frequently set by instructions and directions from the center, down to the last detail, which tends to weaken the initiative of basic organizations and lower organs, leads to the passivity of members and officials. In an effort to expand the membership base at any price, schools and training centers particularly tend to resort to administrative recruiting of members without developing follow-up work with these people. Young people are, thus, often formally members of several organizations.

Work with people is often replaced by officiating and paperwork. The gathering and documenting of various results overwhelms the workers of the apparatus, as well as voluntary officials. It is not an exception to see okres committees of social organizations processing an annual total of 60 or more written reports and information items for other okreses and for their own superior organs. A great amount of time and effort is expended in preparing written materials for discussion by organization bodies. As a result, there is not enough time or manpower available to work among people in basic organizations, a situation which suits many a worker of the apparatus.

Shortcomings and wildly different activity are also demonstrated in applying party influence in the National Front and in the organizations affiliated with it. Some party organs and organizations approach the problem of their activities with a low level of self-awareness, with little knowledge of the subject. Instead of setting a political line and unifying the approaches toward its implementation, politically tactless approaches, direct administrative incursions as well as the replacement of responsible officials occurs not infrequently. An incorrect approach in some cases even occurs in cadre work—often, officials who have failed elsewhere or whose

zenith of efficiency is already past, are nominated for office. Frequently, the work of Communists operating in social organizations is subjected to evaluation which lacks a demanding and systematic approach.

II

At the Fifth Session of the Central Committee of the CPCZ, Comrade Gustav Husak characterized the task of the National Front in the following words: "The National Front, which grew out of our national liberation struggle, represents the real strength in our political life. That is why it is so important for democratic principles to be applied across the whole of its activity. That is why it is important for cooperation among Communists, among members of other political parties, and among people without party affiliation to be deepened and for all honest people to be counted on in developing the republic."

In conjunction with this, in the interest of the broad democratization of life within the society, as a decisive condition for the universal development of activity on the part of people, for the full utilization of their creative work, energy, and initiative, it is essential to further develop the mission and actions of the entire National Front as follows:

i. In everyday political practice, to consider the National Front as the broadest real basis on which the Communist Party of Czechoslovakia, together with people without party affiliation and members of other political parties seeks and finds the solution of specific tasks involved in the development of socialist society and in the satisfaction of the growing needs of the people, in which it concentrates forces toward this fulfillment and organizes social control with respect to these purposes.

ii. To achieve a situation in which the National Front will be placed for the further development of socialist democracy, for the broader participation of people in the management and administration of public affairs, a place to which organizations and citizens will turn with initiatives, proposals, and suggestions for the solution of questions connected with social and political life in localities, okreses, krajs, in our entire state, to a far greater extent than has been the case hitherto.

On the platform of the National Front, unify approaches, amalgamate forces and resources of organizations in solving important national tasks. This is primarily a matter of questions involving the education and training of youth, care for the elderly, solutions of specific problems involving women, protection of consumer interests, shaping of a healthy way of life, creation and protection of the environment, and utilization of free time.

iii. More actively than hitherto contribute in the National Front toward the promulgation of a peaceful foreign policy of Czechoslovakia, toward the strengthening of the unity and action capability of various movements opposing the war movement of the world public in support of specific steps in the formation of international security and peaceful collaboration between nations.

On the basis of the self-governing principles of the development of social and special-interest organizations affiliated with the National Front, and through the means of the broad development of their activities, assist the democratization of life of our society, the development of the activity and creative capability of people, their fuller social self-realization, and participation in administration and management. The basic prerequisite for this is for every component of the National Front to deepen its democratic character, its specific mission within society, for each component to have its nature and work make the best contribution to the common affair of socialism and toward satisfying the interests of our people.

iv. In contact with noncommunist parties, proceed from the fact that they recognize the leading role of the CPCZ and that they consider their basic mission to be one of making an active contribution to the development of socialist society. The CPCZ, in turn, considers them as its allies.

III

To facilitate the successful fulfillment of these tasks within the framework of restructuring of social relationships, to achieve the activation of the National Front and the organizations affiliated with it, it is desirable to:

1. Create conditions for the further growth of the participation of the National Front and the organizations affiliated with it in the creation, realization, and control of policy, as follows:

i. Propose decisions of party organs, governments, ministries, and national committees, which deal with decisive questions affecting the life of society, requirements and interests of citizens, are to be discussed according to their character in appropriate organs of the National Front or of social organizations. In conjunction with possibilities, they should be engaged in the very formation of these decisions.

ii. In addition to utilizing existing laws, provide the stimulus for legal amendments, make it possible for central committees of the National Front, of the Central Trade Union Council, of the Czech Trade Union Council and the Slovak Trade Union Council, the Central Council of Cooperatives, as well as the federal and republic-level central committees of the Socialist Youth Association, the SDR, and the Czechoslovak Union of Women, within the areas of their jurisdiction, jointly propose

amendments of laws with the appropriate government. Make better use of the opportunities of indirect legislative initiative when central committees of the National Front or of social organizations can charge a group of delegates to propose an appropriate law in their name.

iii. Continue with the practice of having the central committees of the National Front express themselves with regard to the program proclamations of the governments and the control of these programs even before they are discussed within the legislatures.

iv. Effect the broader application of the practice according to which central committees of the National Front, of social and special-interest organizations, and of other political parties approach the governments and ministries with proposals for the joint solution of requirements perceived by their members and of topical problems in the life of society. Following mutual agreement, joint programs and decisions are to be adopted to solve these problems.

v. More fully utilize the possibilities presented by the law on national committees, according to which national committees are obligated to deal with proposals and recommendations of organs and organizations of the National Front and to jointly seek solutions of presented problems and needs in towns and communities, in okreses and krajs.

vi. Further develop the collaboration between organs of the National Front, political parties, social and special-interest organizations, and national committees in the formation, realization, and control of election programs of the National Front.

vii. On the platform of the National Front, organize universal discussions dealing with a number of important questions involved in the development of socialist society. In individual localities, together with the national committees, hold discussion on problems which have a basic significance for the life of citizens such as, for example, the development of services, transportation and trade, health care, improvement of the environment, development of municipal facilities, etc. In this regard, better use must be made of public citizen meetings.

2. Deepen the democratism of the internal life of organizations with membership in the National Front, improving the degree of autonomy and participation of members in the work of these organizations as follows:

i. In basic organizations and organs, create conditions for the broad exchange of views, for actual discussion, which is the expression of a full-blooded political life, an important means of decisionmaking, of seeking and implementing objective truths.

ii. Consistently use reminders and suggestions by members, make proposed decisions a basis for consulting the group on a broader basis than hitherto and organize all-encompassing discussions of basic questions in organizations.

iii. Further democratize the selection of officials so as to let the basic organization, the collective, the workplace, and the place of residence of the nominee express themselves with respect to the nomination all the way through the central committee level. Provide the possibility for holding secret elections or make selections from among a number of candidates. Improve the information at the disposal of basic links and improve the quality of activities engaged in by organs and their members.

iv. Increase the tasking of elected organs, strengthen the collective nature of their decisionmaking, concentrate their work on evaluating basic questions. Reduce the quantity of materials discussed and resolutions adopted, and thus give broader space to territorial links for solving tasks emanating from the requirements of the locale and from the interests of their members. By doing this, further deepen the independence of basic organizations.

v. Rationalize the work of the apparatus, make a judgment with respect to its redistribution in favor of okreses, or possibly basic organizations; reduce its overall numerical strength, particularly in the administrative, technical, and economic areas.

vi. Consider the basic organizations as being the decisive location of each social and special-interest organization. Universal assistance for basic organizations, lively contact with them, must become the primary task of higher organs, particularly of okres committees and all of their officials.

3. Effect a further quality improvement in the activities of organs of the National Front at all levels of its development as follows:

i. In discussions held by plenary sessions and presidia of the National Front, include primarily questions having to do with broader social affairs, tasks, and problems, solutions for which require the unification and coordination of efforts on the part of the organizations affiliated with the National Front and assure cooperation with state organs. Deal with proposals and remarks addressed by citizens and organizations to organs of the National Front. Generalize exemplary experiences, approaches by territorial organs of the National Front and organizations affiliated with the National Front in solving some important national task more than hitherto.

ii. Make quality improvements in the composition of National Front organs. Increase the responsibility of political parties, social and special-interest organizations for the selection and work of their delegates. Strengthen representation for politically unorganized citizens, women, and young people.

iii. In the activities of National Front organs, do away with excessive administrative activity, do not require organizations to submit written reports and data with the exception of those which are mutually agreed upon. In the central committees of the National Front, evaluate the quantities and levels of economic regulations and required reports in the light of the economic mechanism restructuring and effect their maximum simplification. Prepare proposals aimed at increasing the economic independence of social and special-interest organizations.

IV

Tasks connected with the restructuring of social relationships place higher demands upon the application of the leading role of the CPCZ and on the entire activity of the National Front, on perfecting the forms and methods of party action, its creative adaptation to new conditions and tasks. Fulfillment of the conclusions of the 17th Congress of the CPCZ pertaining to the development of the political system, the further strengthening of the union between the Communist Party and the masses, the deepening of the tasks of the National Front, and improvements in the quality of activity on the part of social and special-interest organizations requires the following:

1. The full application of the principle that the party leadership of social organizations is political leadership:

i. It is the obligation of party organs and organizations to orient Communists in social organizations toward decisive tasks in conjunction with the missions of the organizations, the location of their functioning, the interests of their members, and the requirements of society, and to channel the development of their initiative in this direction.

ii. Simultaneously, the organizational independence of social and special-interest organizations should be strengthened, democratism in their internal life must be supported, and their own resolutions must be respected. The approaches of territorial party organs and organs of social organizations must be more consistently coordinated.

iii. Fully evaluate the significance and mission of the National Front and create conditions for it to join in the solution of national affairs at all levels of development, so it would stimulate the initiative of its member organizations and citizens, participate in the preparation of all important political and social decisions.

iv. Systematically raise the level of self-recognition on the part of party organs, particularly of basic organizations, with respect to the situation existing in organs of the National Front, in social and special-interest organizations, so as to prevent the setting of unrealistic goals, prevent unsuitable and unfeeling incursions into their activities.

2. Implement the party line exclusively through Communists who work in organs of the National Front, social organizations and special-interest organizations:

- i. In directing Communists who work in National Front organizations, apply high requirements, consult with them, and take into account their positions and views, require them to regularly report to party organs on the accountability of their work.
 - ii. Fully evaluate their work in social and special-interest organizations, consider it to be important, to be equal to the work of Communists working in other responsible sectors.
 - iii. Improve the quality of activity exerted by party groups of elected organs. Inform them on the principal tasks which stand in the forefront of the party's attention in the given period, consult with them on political decisions which are being prepared, particularly those which have to do with the activities of their organization, unify their approach toward fulfillment of tasks.
 - iv. Orient the activities of basic party organizations in the apparatus of the National Front and of social organizations more than heretofore toward fulfillment of tasks connected with improving the quality of activities on the part of elected organs, of the apparatus, through deepening work with the active, and by rendering more effective aid to lower components.
3. In relationships with noncommunist political parties, implement the method of mutual consultations and information, both within organs of the National Front, as well as through mutual discussions.
4. Substantially improve the quality of party cadre work:
- i. Following consultations with Communists in social organizations, nominate officials for functions who have a natural authority, the moral characteristics, the abilities and prerequisites for performing those functions.
 - ii. Promote more young people, women, and people without party affiliation to leading functions even in social and special-interest organizations; commit even members of noncommunist political parties to active work more broadly than heretofore.
 - iii. The distribution of Communists in managing organs of organizations affiliated with the National Front is to be assured in such a way that the CPCZ can apply effective party influence at all levels of its organizational development.

05911

CPCZ Weeklies Take Hardline Position on 1968

TRIBUNA Upholds Lessons

24000047 Prague TRIBUNA in Czech
No 1, 6 Jan 88 pp 8, 9

[Article by Karel Horak: "A Still Current Lesson and Experience"]

[Text] Recent days have marked the passage of 20 years since the January 1968 Plenum of the CPCZ Central Committee. In the time that has passed, thousands of articles and hundreds of studies and books have been written about its significance and results, especially about the developments which took place in our country after it. Briefly stated, the developments after January are still part of the international ideological class struggle.

The bourgeois propaganda of counterrevolutionary activities by the antisocialist and revisionist forces makes pronouncements about the process of "rebirth and democratization" of the socialist system and about the "model" for our current restructuring. And even we forget about the role of the January plenum in the history of our party and socialist construction. We analyze why the hopes which the predominate majority of communists and workers placed in the resolutions were crushed and why the right-wing forces were able to misuse the period after January for their own goals.

We do not return to the events of 20 years ago just so that we can recall their course, but so that we can make use of the experience gained by the Communist Party in the struggle to protect socialism in keeping with the current conditions of the development of society in the fulfillment of today's tasks.

Searching for Ways To Correct Shortcomings

The significance of the CPCZ Central Committee plenum in January 1968 is evaluated in "Lessons from the Crisis Developments in the Party and Society After the 13th CPCZ Congress," which states: "In their basic importance, the results of the January plenum were a reflection of the necessity of resolving the growing crisis in the CPCZ and to remove from party operations, and especially from its leadership, that which was an obstacle to the party and society rousing themselves to new activity and to a new expansion. This mainly concerned a thorough application of Leninist principles in the management of the party and society and the need to react in time to new phenomena in all areas of social life which developments brought about."

The January plenum of the Central Committee was a result of the process which took place in the party starting with the 13th Congress in which the Marxist-Leninist majority of the CPCZ strove to overcome the subjectivism, voluntarism, and pragmatism in the management of the party and the society which was under the

control of the leadership at that time and was a reflection of the efforts at resolving the serious problems and difficulties which had showed up in the party and in society. The plenum was linked with central committee discussions in 1967 at which, especially at the October and then the December sessions, the shortcomings in carrying out the resolutions of the 13th Congress and in CPCZ actives, including the work methods and the management style of the leadership at that time were criticized and their correction demanded.

This was also fully reflected in the political resolutions which the January plenum of the CPCZ Central Committee approved. These clearly applied to the resolutions of the 13th Congress and required basic changes in the party work methods and the management of society and a decisive battle against the criticized shortcomings. They emphasized the firm unity of the CSSR with the Soviet Union and our appurtenance with the countries of the socialist society, the necessity of intensifying the ideological and operational unity of the party, and strengthening the Leninist principles in their activities and their leading role in society.

So they were approved and understood by the majority of the party and the people in our country and the resolutions, therefore, received such broad and spontaneous support.

The new party leadership with A. Dubcek elected as its head was faced with an immensely serious task and great responsibility, which was to place themselves at the head of the Marxist-Leninist movement and to use the spontaneous agreement of the party and the people with the resolutions approved to transform it into a struggle to overcome obstacles and strengthen socialism in Czechoslovakia.

The Right-Wing Forces Abused the Results of the January Plenum

However, the party leadership was not capable of carrying out this historic task. It was politically heterogeneous and not unified and was not able to catch up with and direct the growing wave of social activity and underrated the danger which the activities of the revisionist and antisocialist forces represented although they had formed up and organized long before January and it could not resist their attacks.

The very well-known result was that the party leadership and other party agencies, including many basic organizations, were gradually taken over by the revisionists and their representatives. They deployed their faithful into the government, state agencies, social, and economic organizations as well. Right-wingers in the party leadership opened the doors for the activities of antisocialist forces in society, paralyzed the party work and the functioning of the socialist state, and deeply disrupted

our allied ties with the Soviet Union and the other socialist countries. With the support of the media they succeeded in disorienting a large part of the public.

The answer to the question of why the right-wing forces in the party could abuse the results of the January plenum for their own antisocialist purposes lies in the fact that their representatives in the central committee (for example, F. Kriegel, J. Smrkovsky, O. Sik, J. Slavik, J. Spacek, V. Boruvka, V. Prchlik, and others) made use of the fact that the party was not informed of the agenda and resolutions of the plenum and the new leadership proceeded indecisively for their own revisionist interpretation of the resolutions from that session. They spoke at various public meetings not held by the party and under the guise of "men of January" they arbitrarily assumed the right to decide on what the policies after January were, what their content and goals were. The media intensively supported them in this since the right-wing forces had a strong position with the media even before January. In order to conceal their actual intentions, they spoke of a "new" party policy, of the need to overcome dogmatism, of correcting mistakes, and of democratic socialism or socialism with a "human face."

The facts show what kind of "socialism" these people had in mind. While the party and all other parts of the socialist political system were under the fire of coarse criticism and deliberately disrupted, active antisocialist operations appeared and began to develop by such organizations as were the so-called Club of Committed Non-Members of the Party, or K 231 in which people punished for antistate activities banded together; a social democratic party began to be formed; reactionary pre-February Revolution politicians became active... And where it was not possible to attack the existing structure directly, the slogan was laid out for "trade unions or national committees, yes, but without Communists."

The right-wing part of the party leadership which controlled the decisive positions not only did not fight against this situation, but supported it. The party leadership gave up its influence on the media, which the right-wingers totally controlled. They became the tool of a second center which was formed at the CPCZ city committee in Prague and of the antisocialist forces. None of those who put themselves forward as the "renewers" of socialism came to the defense of the workers' officials, honest party members, judges, procurators, Security employees, the army, or many others that the reactionaries attacked and ruthlessly scandalized. On the contrary. The so-called men of January—Smrkovsky, Kriegel, Spacek, Kohout, Pavel, Goldstucker, and others—on the means of mass communications and at many meetings join in on these attacks. At the same time, it was more and more obvious that this was an attack on persons, but also on the socialist system, on the People's Militia, Security, judicial agencies, and the army and to the same degree also on the unified worker and youth organizations and on the Communist Party with a goal of breaking them up, discrediting them, paralyzing their

activities, and thus creating room for counterrevolutionary action and the liquidation of socialism. Even the bourgeois media took exception to the "freedom of speech" which the right-wingers in the party leadership implemented. For example, the writer for the American press agency AP, G. Neuerburg stated: "Now everything is permitted the editors (in Czechoslovakia -kh)..."

The NEW YORK TIMES wrote, "Such freedom of speech could exist only in Czechoslovakia!" It really was a strange kind of "freedom of speech." Only the representatives of the right-wing and antisocialist forces received it.

No opinions defending socialism or showing how the right-wing forces were gradually dismantling the socialist system were allowed. Anyone who stood up against their policies was silenced. A. Dubcek and the other representatives of the right wing in the party leadership did not consider the opinions of the CPCZ members and officials when they expressed fears for socialism and requested the leadership to limit the growth of the counterrevolution and the destruction of socialism. The serious warnings about the activities of the antisocialist forces which were expressed at the meeting of the chief secretaries of the kraj and okres CPCZ committees in May 1968 or at the aktiv of the People's Militia likewise went unheard. And although some resolutions proclaiming the need to fight against the right-wing danger were approved, they were not carried out.

The Goal Was the Liquidation of the Revolutionary Achievements

Under "socialist" slogans the right-wing forces dismantled all the basic building blocks of socialism step by step. They "cured" dogmatism and subjectivism with revisionism; democratization meant rejecting the leading role of the party and political pluralism in the bourgeois democratic concept; the path to overcoming the problems in the economy was supposed to be a lively operating "market mechanism," the abolition of central planning, the transformation of social ownership to group ownership, and a large injection of dollars. All the anticommunist forces which had been defeated in February 1948 became their allies. They formed a political bloc of right-wing revisionist and antisocialist forces which unleashed a struggle for power and for a return of Czechoslovakia to the pre-February and pre-Munich relationships. The existence of socialism in this country was seriously threatened.

The counterrevolutionary goals of the representatives of the right wing were openly admitted by them after their defeat when, in exile, they occupied the warm seats that their providers from the anticommunist centers had prepared for them. For example, E. Goldstucker in an interview for Radio Free Europe in November 1978 emphasized: "What we decisively rejected and what I reject now is the results of February 1948..." Z. Mlynar on the same station in February 1979, when he spoke

about the goals which the right-wingers pursued, stated: "We presumed that first we had to check out how these reforms would work in practice... whether the reformed system is mature...for the introduction of pluralism, including a system of several independent political parties." J. Pelikan on the BBC in August 1978 openly admitted that the goal of the changes was not a "simple change in the party apparatus, but of the entire political system." And J. Liehm, again on Radio Free Europe, showed what was up in economics, the achievement of "pluralistic ownership of the means of production" through "denationalization."

We could continue with this enumeration of quotations from the protagonists of "socialism with a human face." We will give the last word to that "expert," CIA agent, and at that time chief editor of the emigre tabloid SVEDECTVI, who indisputably belongs among those who designed and organized the antisocialist performances here at the end of the 1960's, P. Tigrid. When he evaluated the course of events in the crisis years, he emphasized: "...to carry out the process of Czechoslovak liberalization right to the end and with all the risks and consequences arising from that meant laying the basis for a system which would be in direct conflict with the principles and practical application of Marxism-Leninism..." We would add, and in direct conflict with the basic socialist principles.

And it is just these same people and many others who in the years 1968 and 1969 upset everything socialist, spread nationalism and anti-Sovietism, and supported the inception and activities of the antisocialist organizations that today by means of the bourgeois media demand a re-evaluation, within the framework of democratization, of "Lessons from the Crisis Development" and its conclusions and that the bankrupt representatives of the right wing be again allowed to enter into political life. They play the same tired old tune over and over that the prerequisite for a more rapid development of our economy and overcoming various shortcomings in the operation of the political system, which we are criticizing with justification, is doing away with the "monopoly" of the Communist Party, that is, its leading role; replacing centralized planning with the lively action of a "market mechanism;" restoring ideological and political pluralism of the bourgeois democratic type, transferring social ownership of the means of production to group ownership (and, after time, to private ownership), etc.

The leading role of the party bothers them the most. Its application is supposedly in conflict with all the principles which we are announcing within the framework of the restructuring and beginning to put into effect and, therefore, supposedly there is not really any restructuring taking place. Again it has convincingly been shown that the goals of our enemies have not changed in the past two decades. They cannot reconcile themselves to the fact that the initiative for the necessary and essential changes which we are currently beginning to put into effect came

from the Communist Party and that the content of the restructuring comes from the basic, generally applicable principles of socialism with the CPCZ standing in the forefront of them. They, therefore, attempt to belittle and discredit the path which we have taken.

Those who give us "advice" on how the restructuring and the intensification of socialist democracy should take place are thus concerned with nothing other than again being able to attack legally the party and socialism, to organize chaos, and again to try to do away with the socialist structure.

The lesson which the party derived from the crisis years must not be re-evaluated and we will not do this. As was emphasized at the 7th CPCZ Central Committee Plenum, "any hopes for the legalization of political opposition, which could not be other than an antisocialist one, are not justified." People who are pursuing their own political goals and hiding their hatred for socialism behind a mask of phrases about human rights, freedom, and democracy will not get a chance to disrupt our country again.

We Stand Firmly on Socialist Principles

On the other hand, however, everyone who is concerned with the development of our republic and who wants honestly to be involved in socialist construction and by their work, knowledge, and suggestions to contribute to a more rapid approach in fulfilling the program of the 17th Party Congress has wide opportunities open to him to show his activity and initiative. We, therefore, also consider a further intensification of socialist democracy to be an inseparable component and a condition for effecting the restructuring.

Democratization of all aspects of political, economic, and social life, however, does not mean an absence of restraint or a free play of the various political forces, as the right-wingers put into effect after January 1968, but the deliberate creation of conditions for increasing the participation of the workers in the management of the political and economic processes, in decision-making, and in control. It is firmly connected to the strengthening of socialism and the power of the working people and with the development of the political, social, and economic rights of the citizens. It is a matter of fully freeing up space for the utilization of the creative energy, wisdom, and experience of the workers, which are an inexhaustible source of energy for the socialist system. As comrade Milos Jakes, general secretary of the CPCZ Central Committee, stated at the 7th Plenum, "The CPCZ laid out the line to take in the political area for the necessary changes and to overcome the mechanisms which are slowing down society's activity. This will create the conditions for fully developing the people's initiative so that they become the actual and responsible managers at their places of work and in their factories, towns, and villages and make joint decisions on questions which concern them."

An important step toward intensifying socialist democracy is the measures for expansion of enterprises' independence, the eligibility of their managers for the elections to self-administering agencies of the work collectives, and their position and role in activation of the National Front and in increasing the participation of the organizations associated with it in the formation, implementation, and control of policies.

An inseparable part of socialist democracy is, however, not just the expansion of rights, but also a strengthening of responsibility, good order, and discipline both for individuals at the workplace and in factories, and in society as well. We must be aware of this and also apply this approach in everyday work and life.

In expanding the existing ways and looking for new ways for the democratization of society and self-administration, we stand firmly on socialist principles and the basis of the socialist political system in which the Communist Party is recognized as the leading force. It is right in the fact that the starting point for the restructuring of all areas of our life is the generally applicable socialist principles of society's ownership of the means of production, the planned development of the economy, distribution in accordance with the results of labor, broad participation of the workers in management, and the leading role of the working class and its avant-garde, the Communist Party, that the experience of our party and the lessons which the CPCZ derived from the crisis years are generalized.

We Have a Clear Direction and Goal

When we think about the resolutions of the 7th CPCZ Central Committee Plenum, we are fully aware of the qualitative difference between the situation today and that of 20 years before. In preparing and implementing the resolutions of the 17th CPCZ Congress, the same as in the second half of the 1960's, the party looked for a way to accelerate the development of the economy and to overcome the problems which are holding back the initiative of society. On the basis of a critical examination as to how to proceed further in the current pivotal period and under the inspiring influence of the 27th CPSU Congress, the CPCZ worked out a strategy for accelerating social and economic development and intensifying socialist democracy. After the 17th Congress, drawing on its own and international experiences, it proceeded to work out and develop the resolutions of the congress. At the 4th CPCZ Central Committee Plenum it was decided on the restructuring of the economic mechanism and at the 5th Plenum the basic lines for the procedure of restructuring throughout society were established and a set of guidelines for the intensification of socialist democracy was approved. And at the recent 7th CPCZ Central Committee Plenum this work was capped by the discussion of a further approach to fulfilling the strategic policy line of the 17th Congress for accelerating social and economic development and the

restructuring and democratization of all areas of society and important documents which give the chosen route a concrete direction and goal were approved.

The Czechoslovak Communist Party thus is entering this important pivotal period when, both from the standpoint of the need for further development of our society and from the standpoint of strengthening socialism in the world, it is necessary to ensure substantially more rapid economic and social development and to create the conditions for socialism to make better use of its capabilities and advantages, with a clear program and with specific goals and tasks in the individual areas.

Everything which has been accomplished so far is, however, just the beginning of the demanding work which awaits us in effecting changes of revolutionary scope, the most serious since February 1948. In bringing them to life, as was emphasized in the presidium's message which was presented by general secretary of the CPCZ Central Committee M. Jakes, "It will be necessary to proceed deliberately and in an organized manner and not to allow any unnecessary delays and marking time or any hasty rushing ahead."

In practice this means that in all party agencies and organizations, in the organizations associated in the National Front, and in the economic sphere as well there must be a critical analysis performed, as was done in putting into effect the resolutions of the 17th Congress, as to where the problems are and on the basis of this a specific approach established in carrying out the tasks resulting for the individual work areas from the resolutions of the 7th Plenum. And it is necessary to emphasize this twice: make specific resolutions to do away with shortcomings in the economy and to improve party work and the activities of the national committees and the social organizations and to check up on their implementation regularly as well. It is time for action in all areas! Simple agreement with the tasks established at the 7th Plenum and working them up without changing practices and having them show up in the results achieved will not solve anything and harms the party's policies. A contrast between words and actions is incompatible with the mission of the communists and everyone who holds a responsible job, everyone who wants to work actively for the flourishing of our country.

The Party Must Be in the Forefront

That is why such great emphasis was placed on the ideological and organizational unity and action capability of the party at the 7th CPCZ Central Committee Plenum. This is also one of the important lessons which the CPCZ derived from the crisis years. At that time the revisionists disrupted the party from within and disoriented the membership by replacing Leninism with various revisionist and petit bourgeois concepts and created the conditions for their destructive actions.

It was not by chance that the general secretary of the CPCZ Central Committee comrade Milos Jakes stressed at the 7th Plenum that "we can carry out the important tasks which are before us only under the precondition that our communist party will be in the forefront of the entire event and the implementation of all transitions... In the body of the party there must be a flow of greater activity, combativeness, action, and initiative connected with making use of the more effective methods of work." Only thus is it possible to move the entire party and society in the direction of restructuring, to be in its forefront, and to ensure the further development of socialism and our country and a qualitatively higher satisfaction of the material and spiritual needs of the people.

An important opportunity for this is the upcoming annual membership meetings of the basic CPCZ organizations and the party conferences in towns, factories, enterprises, okreses, and krajs. It is at them that there should be carried out, in accordance with the resolutions of the 7th CPCZ Central Committee Plenum, a critical analysis of party work and the activities of the Communists and specific resolutions approved not only for a substantial improvement in the fulfillment of economic tasks, but also as to how the party organization and the communists within its sphere of authority will occupy the forefront of the restructuring and how they will proceed to achieve higher activity and combativeness in party work.

The restructuring concept rests on the activation of people, in whatever sector and whatever function they work. The people also decide on meeting the goals which we lay out. It is, therefore, necessary to direct all activities of the party organizations and agencies at work among the people, to make thorough application of the leading role, to develop political and ideological conceptual work, to deploy personnel correctly, and to improve the quality of control of the fulfillment of the resolutions approved. It is exceptionally important to fight to change the thinking both in the party and in society and to overcome the familiar patterns and stereotypes and to struggle against formalism, the bureaucratic approach, lack of responsibility, apathy, etc.

We will, of course, strengthen the unity and action capability of the party on the basis of Marxist-Leninist teachings, a theory which is still alive and is constantly being enriched and developing by everything new that the struggle of the working class, the construction of socialism, and scientific knowledge brings. It is thus not a matter of some kind of abstract unity, but a unity based on a creative approach to Marxism-Leninism as it is applied in the resolutions of the 27th CPSU Congress and the subsequent plenums of the CPSU Central Committee and in the resolutions of the 17th Congress of our party and the subsequent plenums of its central committee. An expression of the ideological, organizational, and action unity of the party in the current pivotal period is the fight to implement the strategy of restructuring and

acceleration. Only thus can the party transform the workers' support and agreement with its policies in a deliberate way into a broad commitment to the practical accomplishment of the established goals.

Our party's experience and the experience of the CPSU, which is an inspirational stimulus and a source of learning for us, show that the strategy of restructuring and acceleration is a correct one, vitally essential, and also realistic and that it is in keeping with the aspirations and interests of the people and has the active support of the broad public. It expresses the revolutionary continuity in the policies of our party; by implementing them, we will develop the heritage of the glorious February 1948 revolution.

TVORBA's Position Less Vehement

24000047 Prague TVORBA in Czech
No 1, 5 Jan 88 p 6

[Article by Josef Meisner: "An Experience for Which We Paid Dearly"]

[Text] Twenty years ago, on 5 January 1968, the plenum of the CPCZ Central Committee ended, which by its resolutions significantly affected not only the actions of the CPCZ, but also the further development of a socialist Czechoslovakia. It closed a difficult stage of searching for a way out of a situation into which the Czechoslovak society and the Communist Party as well had got in the 1960's by laying out some unrealistic tasks in the economy, in the field of socialist statehood and the operation of the political system and ideology, and in not carrying out the resolutions of the 13th CPCZ Congress in a thorough manner.

Despite the fact that the leadership of the party and the state were warned about conflicts between the announced tasks and the results achieved; about manifestations of bureaucratism, voluntarism and subjectivism, and pragmatism; and about violations of the Leninist principles in the work of party and state agencies and organizations of the National Front, effective corrective measures were not taken in time. The efforts of honest party members to carry out thoroughly the congress's resolutions were often hampered by the subjective attitudes of some members of the CPCZ leadership, which led to growing passivity in all elements of the political system. As a consequence of insufficient application of the leading role of the CPCZ and the lack of a thoroughly unified approach, its authority and capability for action were reduced and the social and age composition of its membership base also got worse. Some serious deficiencies began to appear in the economy. A suitable base for the formation of various non-Marxist views and concepts for solution of the situation was also created.

In the course of 1967 it became more and more clear that the forms and methods of work promulgated by the first secretary of the CPCZ Central Committee and president

of the republic A. Novotny in the work of the party and state agencies no longer met the needs for the further development of socialist society and had become a drag on it.

It was unavoidable to restore thoroughly the Leninist forms of work by the party and state agencies and also to develop socialist democracy in all areas of society's life, to do away with the various distortions in the method of applying the party's leading role, etc. CPCZ Central Committee plenums in February, August, and October 1967 emphatically pointed out the complex domestic political situation and the problems of party leadership.

The thesis of the October plenum of the central committee "The Position and Role of the Party in the Current Stage of the Development of Our Socialist Society" as a whole correctly formulated the most important tasks for strengthening the ideological, organizational, and action unity of the party, and the position and role of the basic organizations and party agencies at all levels of construction. They laid out the functions of the party and the basic methods of applying its leading role in society, but they did not derive this from a thorough analysis of the work of the CPCZ Central Committee. Its members, therefore, requested that at the next plenum there be a comprehensive and critical evaluation of the work of the presidium and secretariat and its individual members, including the work of the first secretary.

It was necessary to lay out in a new and precise manner the relationships between the party and state agencies and the relationships between the Central Committee of the Czech CP and the Central Committee of the Slovak CP, to strengthen the role of the organizations of the National Front in the life of society, and mainly to reinforce the unity and capability of action of the party.

It was, therefore, expected with hope that the December plenum would carry out a thorough analysis of the domestic political situation and take direct measures which would lead the party and society out of the growing political crisis. This plenum resolved a whole complex of questions. It dealt with the economic situation and the development of the standard of living, a new arrangement of relationships in the central agencies of the state, and an improvement in their work in keeping with the needs of the new system of managing the national economy. It also passed judgment on the work of the CPCZ Central Committee agencies, the leading party officials, and the activities of Novotny in his job as first secretary of the CPCZ Central Committee. However, the plenum was interrupted and postponed to January 1968 without having approved specific resolutions. Considering the seriousness of the questions discussed and certain conflicts of opinion in the presidium of the CPCZ Central Committee as to the method of resolving them, the CPCZ Central Committee elected a consultative group from the representatives of the individual krajs which was, together with the presidium, supposed to prepare a proposal for discussion by the central

committee on the principles of a style of work by the leading party agencies and a solution to the accumulation of the highest offices, possibly including a proposal for the personal replacement of the first secretary of the CPCZ Central Committee.

Under conditions of increasing political tension, the central committee met again from 3 to 5 January 1968 to continue the interrupted discussions. The difficult situation in the party leadership required that the central committee start to rectify deficiencies in its own ranks first. To improve the quality of the entire party's work and to strengthen its authority and prestige it was essential that basic changes in the system of the work of the highest party offices be carried out. Indeed, some of the justifiably criticized mistakes and deficiencies did not result just from the novelty and complexity of the tasks which it was necessary to resolve "on the run," but also from not appreciating their difficulty and not adequately respecting the general applicability of the construction of socialism and from violating the Leninist principles in party work, as well as from the subjectivism, voluntarism, and pragmatism of some leading officials.

The central committee members and candidates agreed that the party work was showing a number of unfavorable signs which negatively affected fulfillment of the resolutions of the 13th CPCZ Congress. There was absolute unity that it was necessary to ensure successful fulfillment of the congress's tasks, as well as to strengthen the leading role of the party and to develop and reinforce the fraternity of our peoples and nationalities, the alliance with the USSR and other socialist countries, and cooperation with the international communist movement.

There was a sharp difference of opinion, however, especially in evaluating the level of society's development achieved and the situation in the party and in judging the future paths for developing socialism in the period of the onset of a revolution in science and technology. Some of the members of the central committee tried to defend the existing forms and methods of work by the party leadership and pushed for a further strengthening of the directive methods of management. They regarded the shortcomings in society's life and the growing conflicts between the approved decrees of the CPCZ Central Committee and their implementation as a matter of their not being thoroughly worked out and fulfilled by the lower party and economic agencies.

A majority of the members, however, advocated the view that it was necessary to make use of everything positive and that had proven itself in the activities of the CPCZ Central Committee and the entire party and to split completely with anything that was holding back the further development of the socialist society. They demanded the creation of an atmosphere of democracy and openness and thus to stimulate the social activity of the masses and overcome the growing passivity and

indifference. The discussion reacted to a number of complicated, and sometimes unpleasant and even "delicate", questions about the lives of society and the party.

The central committee members categorically rejected the "practice" of setting the presidium over the central committee, the lack of information on the work of the CPCZ Central Committee agencies and offices, and the fact that space and a suitable political climate had not been created for the open exchange of views and for the application of criticism and self-criticism. They requested that the central committee devote more time to the policies of the party and the state and that the presidium work collectively, change the methods of work, and prepare basic measures for the democratization of the lives of the party and society.

In the interest of proper application of the leading role of the party and the development of socialist democracy, the central committee emphasized the role of the representative bodies, especially the National Assembly and the national committees, and the need to reinforce the authority of the Slovak National Council and to reach a comprehensive resolution on the nationalities question. The plenum also dealt extensively with personnel work. It approved a set of measures which were supposed to contribute to strengthening the ideological and action unity of the party and a thorough restoration of Leninist norms and style in the work of the party and state agencies and the agencies and organizations of the National Front as well.

The central committee committed itself to an accelerated accomplishment of the demanding political, economic, and social tasks laid out by the 13th party congress. It condemned the antisocialist outbreaks, petty bourgeois negativism, and the blackening of the party's history and work.

Even at the January plenum of the CPCZ Central Committee, a group was beginning to be formed of members of the central committee which abused the criticism of mistakes and shortcomings in the work of some officials of the party and state agencies to cast doubt on the basic values of socialism and to advance their personal interests. However, the central committee did not perceive this danger.

The resolutions of the January plenum of the CPCZ Central Committee expressed the party's efforts to get rid of everything in its activities and in the activities of the entire state, social, and economic mechanism which was obsolete and was blocking the further development of socialism. The removal of Antonin Novotny from the highest party office and other personnel changes carried out in the presidium of the CPCZ Central Committee were generally considered to be the start of a restoration of the Leninist type of work, an intensification of socialist democracy, a further strengthening of the socialist society, and a renewal of the party's authority and capability of action.

The most important task of the party after the January plenum of the CPCZ Central Committee was to secure the spontaneous concurrence of the party and the people with the resolutions approved for the development of widespread activity to overcome the amassed obstacles to the further development of the socialist society. The leadership of the party and the state at the same time had to carry out an offensive ideological and political battle with the revisionist, opportunistic, and antisocialist views, traditions, and forces and not to allow an abuse of the efforts at correcting deficiencies. It was further necessary to strengthen our bonds with the Soviet Union and the other socialist countries.

The political line laid out by the January plenum in 1968 was correct and essential. It created an historical chance to overcome the crisis phenomena and to strengthen socialism, reinforce its prestige, and ensure further successful development in harmony with the wishes and interests of a majority of the nation. This chance was lost. Instead of carrying out the tasks in accordance with the resolutions of the January plenum, delays marking time and discussions began again. This was because the party leadership with A. Dubcek at its head was not unified even in its evaluation of the situation or in the program, the establishment of goals and planning, or in their opinions about the specific unavoidable measures. The politically heterogeneous and ununified party leadership, in which representatives of the right-wing and their flunkies gradually gained a decisive influence, did not take the lead in the fight to overcome deficiencies and implement the resolutions of the January plenum or in the fight against right-wing opportunism, revisionism, and antisocialist tendencies. It did not even lay out the class framework for further progress. Political romanticism and adventurism prevailed in the party leadership. In a situation where the party was not objectively and effectively informed about the resolutions of the December and January plenums for 2 months, it could happen that not only the forming right-wing forces in the party, but also the antisocialist elements who still hoped for a possible response to the February Revolution detested the January plenum.

Despite the fact that A. Dubcek emphasized at the January plenum of the CPCZ Central Committee that it was necessary to apply thoroughly the Leninist principles of party work, to strengthen party unity on the principles of proletarian and socialist internationalism, the political practice was otherwise. Through the fault of the right-wingers and the compromising, unprincipled policies of the party leadership, the "renewal process" was distorted and relatively rapidly became a process in the disruption and negation of everything positive that was achieved in the period of building socialism.

What took place in Czechoslovakia after the January plenum of the CPCZ Central Committee in 1968 was not an argument about the various alternatives of socialist organization, about the methods of reviving or improving socialism, or about the development of socialist

democracy, but a battle about socialism. In it, the validity was again confirmed of Lenin's thoughts that even the largest numbers of revolutionary forces, if they do not have principled and firm leadership which stands unreservedly on the Marxist positions, will become a splintered mass incapable of organized action and can suffer a defeat at the hands of counterrevolutionary forces under certain conditions. And this is one of the valuable experiences of 1968, even though we paid dearly for it.

6285/9738

HUNGARY

National Assembly Deputies Seek Curbs on Presidential Council

25000081 Budapest *MAGYAR NEMZET* in Hungarian
8 Dec 87 p 5

[Text] The National Assembly's Administrative, Legal and Judicial Committee met on Monday [7 Dec 87] in the Parliament Building. The first item on its agenda was debate on the Ministry of Justice, Supreme Court, Supreme State Prosecutor's Office, and Councils chapters of the 1988 budget bill.

Dr Laszlo Bekesi, state secretary in the Ministry of Finance, supplemented orally the budget bill's preamble. He said that 1988 would be a year of key importance for the Hungarian economy, because (1) it would be the first year of implementing the government program, (2) the structure of consumption would change, and (3) new instruments of management would be introduced. Personal incomes would decline, while the incomes of enterprises and cooperatives would rise somewhat. In real terms, the government was proposing cuts of 5 to 7 percent in the councils' budget. This would result, among other things, in a 17-percent decline in investment resources for these institutions.

Dr Tibor Levai, a deputy of the supreme state prosecutor, reported that the budget cuts would bring the prosecutor staff to the brink of collapse, but prosecutors would nevertheless undertake their nondiminishing tasks.

Speaking in the debate, Dr Jozsef Ladanyi (Borsod-Abaúj-Zemplén Megye) noted that the 1988 budget bill was precarious to a large extent, but had the virtue of being frank. He referred to the link between the mood in the megye and the drop of 450 million forints in the megye council's estimated revenue. Dr Jeno Horvath (Budapest) warned that resources must be allocated without discriminating against one or another of the institutions.

Next, the bill amending Law No II of 1979 On State Finances was debated. Here Dr Laszlo Bekesi explained that the law had become obsolete with time, and the

system of taxation and fiscal control had changed completely. By amending the law, the government wished to ensure that taxes could be introduced, the tax rates set, and the circle of persons liable to taxation determined, only by enacting laws in future. Mrs Szirtes nee Dr Erika Tomsits (Budapest) requested that the administrative budget be broken down, and the breakdown be approved by the National Assembly. She proposed that, in the case of taxes which up to now had not been regulated by enacting laws, the government should switch to that mode of statutory regulation.

Next, the committee turned to considering one of the most exciting items on its agenda. Dr Ferenc Petrik, deputy minister of justice, summed up the experience that the measures adopted to make the drafting of legislation and its enactment more democratic, and to enhance the National Assembly's legislative role, had not achieved entirely their desired objectives. Therefore it was necessary to ensure also by legal means the National Assembly's supreme legislative role, and the voluntary public organizations' wide participation in the drafting of legislation. The deputy minister noted that the bill would remain within the framework of the present Constitution. He personally did not think that curbs on the Presidential Council's scope of authority would be possible.

Dr Jeno Horvath (Budapest) summed up as follows: "Reduced to absurdity, the Presidential Council's delegated legislative authority, for whenever the National Assembly is not in session, would mean that the Presidential Council could repeal a law while the National Assembly was taking a lunch break." In his opinion, this conflicting situation could be resolved only by amending the Constitution. Mihaly Korom, the chairman of the Constitutional Council, rejected the preceding speaker's opinion and emphasized the Hungarian state leadership's sense of responsibility. This problem, he believed, ought to be resolved in the course of the Constitution's comprehensive revision. Speaking about this broad delegated legislative authority of the Presidential Council, Dr Frigyes Tallosy (Budapest) argued that this legal institution was a relic of the 1950's, and regulation by means of law decrees was nonsensical from the viewpoint of legal theory. In his opinion, the Constitution ought to be amended only when there was a need to do so. Laszlo Czoma (Zala Megye) said that the legislative bill harbored the possibility of conflicts between the Presidential Council and the National Assembly. In his opinion, curbs on the authority of the Presidential Council should be built into the law immediately, here and now, and the enacted law should require the Presidential Council to submit to this committee the drafts of the proposed law decrees.

Mrs Laszlo Kopp (Borsod-Abaúj-Zemplén Megye) argued: "I feel that it is also an encroachment on the National Assembly's legislative authority to allow a narrower group amend any legislation the National Assembly has enacted. Amending an enacted law should

require enacting another law." Andras Tulok (Veszpremi Megye) proposed renaming the law decrees as decrees of the Presidential Council. Pal Fillo (Budapest) felt that constitutional amendments were nothing to be feared, for they were being made necessary by the changes in everyday life. According to the proposal that Zoltan Kiraly (Csongrad Megye) had submitted in writing, the National Assembly's supreme legislative authority had to be ensured also by legal means, because now the Presidential Council could do anything, without the National Assembly's knowledge and consent. Therefore he proposed requiring a qualified majority to decide such questions.

1014

New 'House Rules' for National Assembly Under Consideration

*25000105 Budapest MAGYAR HIRLAP in Hungarian
24 Dec 87 p 8*

[Interview with Mihaly Korom, chairman of the Constitutional Council, member of the MSZMP Central Committee, and chairman of the National Assembly's Ad Hoc Committee on Modernizing the Rules of Procedure, by reporter Andras Banki; date and place of interview not given]

[Text] During its recent session, the National Assembly created an Ad Hoc Committee on Modernizing the Rules of Procedure. These rules are the National Assembly's internal rules that specify the manner in which the National Assembly conducts its business, and the rights and obligations of the National Assembly's deputies, officers, and committees. Deputy Mihaly Korom, who chairs the Constitutional Council, has been elected chairman of this ad hoc committee. Upon assuming his new office, Mihaly Korom granted our reporter this interview.

[Question] Sitting in closed executive session, the National Assembly revised and amended its rules of procedure 18 months ago, on 26 June 1986. Now, modernization of the rules of procedure is once again on the agenda. Why? Is the National Assembly growing up so fast that it has already outgrown its hardly worn clothes of last year?

[Answer] I will go along with your simile, but wish to add that the deputies of the National Assembly are not the only ones who tailor its clothes. Because the National Assembly's role within our system of political institutions, and its powers laid down in the Constitution, are the tape measure and basic measurements for fashioning the rules of procedure. It must be admitted that during its new session—in accord with the accelerating social changes and the Party's policy—the National Assembly's role in directing the state's affairs, and in regulating society's relations by public laws, has been upgraded; moreover, the political and social prestige of this body has been enhanced noticeably. It is high time to assert

these processes also in the democratization of the way in which the National Assembly conducts its business. But we have other reasons as well for modernizing the National Assembly's rules of procedure. During its present session, the National Assembly curbed the delegated legislative powers of the Presidential Council whenever the National Assembly is not in session: in future, the Presidential Council may not enact statutory regulations—and hence may not amend a law or issue a law decree—in matters that have been reserved for the exclusive legislative powers of the National Assembly. This restriction, and the just passed Law on Legislation (it gives the National Assembly exclusive legislative powers over some fifty matters that must be regulated by passing laws), will substantially increase the deputies' work load. But its legislative function is not the only function of the National Assembly that is being broadened and strengthened. Today the country has a government that, parallel with discharging the scope of its activities and responsibilities, wants to cooperate more closely with the National Assembly than preceding governments did, and seeks more extensive oversight of its work by the supreme representative organ of state power. The deputies themselves are also urging the establishment of such a relationship, even though it will mean more work for them. When streamlining the National Assembly's rules of procedure, it is therefore necessary to examine also what organizational and procedural methods would enable this body to carry out its increasing tasks the most efficiently.

[Question] Then allow me to ask at this point: Are you considering the restoration of full-time deputies?

[Answer] In my opinion, that would not be a feasible solution under our system. All classes and strata of our society must be represented in the National Assembly.

[Question] But we certainly can expect more frequent sessions of the National Assembly in future.

[Answer] I wish to emphasize that my answers to your questions merely express my own personal opinion. Our ad hoc committee has not met as yet, and we will be formulating our proposals jointly. Having said this, allow me to add something that I consider to be of fundamental importance: this is the first time a working committee appointed by the National Assembly to revise its rules of procedure consists entirely of deputies. Which of course does not mean that in our work we will not be consulting outside experts as well.

But to revert to your question: the Constitution requires the National Assembly to convene for at least two sessions a year, but it does not specify the maximum number of sessions that may be held any given year. Our practice of long standing is to hold four sessions a year, and it is no accident that everyone associates these sessions with the four seasons. There is also no regulation prescribing just how long each session must be. It was exceptional that last autumn the National Assembly

sat for 3.5 days. People did notice and wonder whether the length of the session was an indication of just how serious our problems were. I believe that the frequency and length of the sessions ought to be treated flexibly and always geared to the timely tasks and topics. There is no constitutional obstacle to doing so. We just have to depart from what we have become conditioned to expect. But I, too, am certain that our sessions in future will be more frequent and longer.

But how to prepare and conduct our sessions is already a question that concerns our rules of procedure. We need less ceremony, and more emphasis on getting things done. Which is already characteristic of the committee meetings. Many organizational, procedural and technical solutions are available to streamline and simplify the National Assembly's work. Let me give you an example of each. I think it would be expedient for the National Assembly to elect from among its members also a small, efficient general staff to assist the National Assembly's president. This general staff would ensure continuity and organize the National Assembly's business. For example, it could be vested with authority to convene all but the first session of each new National Assembly (at present only the Presidential Council has such authority). We might likewise consider whether it is always necessary to hear also the committee report following a minister's speech. In our experience, there is much duplication and overlapping in the committee report. The minister himself could say, and in most cases does say, in his speech: we considered the proposal in the committee concerned, debated these and these questions, agreed on this and this, or were unable to reach agreement. My third example concerns the method of voting. I think the time is ripe to find a solution for introducing electronic voting in the National Assembly, which would speed up the proceedings.

[Question] A new element introduced when the rules of procedure were revised and amended last year is the possibility of debating a bill in two stages. But not once in the past 18 months have the deputies invoked this possibility. According to many deputies, they have refrained from doing so because the matters that may be debated in two stages have been defined too narrowly. They include the medium- and long-range national economic plans, and the "more important concepts," which is a rather hazy formulation. Do you consider the expansion of this circle of legislative bills warranted?

[Answer] Ever since it became possible, as I recall, the first time debate in two stages was being considered was on the tax [personal income tax and VAT] bills. But by then we were running out of time. I think it would be warranted to specify more clearly in the rules of procedure the legislative bills that belong in this category. But I can also imagine a solution such that we incorporate in the rules of procedure only the possibility of debate in two stages, and then let the deputies decide—once they know the legislative program—whether to debate the bill in one stage or two stages.

[Question] Deputies are now perceptibly divided in their views on assigning amendments to the so-called bureaucratic track. Those who are calling it the bureaucratic track argue that it is no longer possible for a deputy to introduce before the full National Assembly a motion to amend that incorporates an idea sparked by something said in plenary debate. I suspect that for you this issue is a sore point: in your speech during last week's session, you objected to exactly such an improvisation.

[Answer] It is. I am opposed to such improvisation, and in my speech I also explained why: Because this harbors the danger of straying endlessly from the matter under discussion, and it also raises doubts about the seriousness of debate and deliberations within this body. The important thing is that the appropriate committee must first adopt a standpoint on an amendment before it is put to the whole National Assembly. There are many opportunities to do so in the preparatory stage. And if we are talking about ideas sparked by debate, the committee could consider an amendment even while the full National Assembly adjourns for a break. Perhaps the bureaucratic features of the "track" could be relaxed, but I do not think that it would be a good idea to give spontaneity free rein.

[Question] Since the rules of procedure were revised and amended last year, there has been controversy over the institution of putting questions to ministers for oral answer. In the opinion of some, this institution has gained in importance. But others believe that it has been weakened, because the opportunity to put questions to ministers for oral answer has been limited. Do you intend to change these provisions?

[Answer] We intend to strengthen the institution of putting questions to ministers for oral answer, rather than let it atrophy. The roots of the problem lie in the single-member election districts. It is often difficult to draw the line between an issue that concerns only a deputy's constituency, a narrower collective, and can be solved locally; and a more general issue that indicates some shortcoming in statutory regulation or public administration, one on which also the National Assembly has to express its opinion when it votes on the minister's oral answer. In other words, this is a difficult question, and we will have to work on it.

[Question] You have already mentioned that the government is seeking, and the deputies are urging, more extensive oversight of the Council of Ministers by the National Assembly. It is perhaps an example of the convergence of these aspirations that the deputies voted on the proposed composition of the cabinet when the National Assembly was considering, during the closed executive part of last week's session, the organizational and personnel changes in government. That was not customary in the past, except in the first session of a newly elected National Assembly.

[Answer] That vote on the composition of the cabinet was indeed a departure from past practice, and I think it is an example we ought to follow. But the present situation is also conflicting. In the sense that, according to the Constitution, the Presidential Council could also have approved the proposed list. Instead of presenting to the National Assembly, as it did now, the list of ministers nominated by the PPF National Council and the MSZMP Central Committee. In my opinion, the prime minister—who, incidentally, had been elected [confirmed] earlier in the manner outlined above—should have the right to choose the members of his cabinet, and he should be the one who presents the list to the National Assembly for confirmation.

[Question] The constitutional guaranties for the National Assembly's oversight of the government are, I believe, still inadequate. We do not have, for example, a motion of no confidence. Are you considering to include this institution in the rules of procedure?

[Answer] We cannot go in the direction of parliamentary government, and we may perhaps borrow its customary institutions only after they have been adapted to our conditions. In this sense, then, it could be worthwhile to consider allowing motions of no confidence. But this should be done with great caution, because this institution is a very sharp weapon. On the other hand, our Constitution does provide the institution of a recall vote; but the deputies, as far as I remember, have never yet resorted to it. I think it is best to strengthen the already existing guaranties that enable the National Assembly to oversee the government. Such as the National Assembly's right to hear reports on the government's activities, for example. The present practice could be perfected by letting the National Assembly set guidelines for future activity, in addition to voting on approving or rejecting a report by the prime minister or one of his ministers. The guidelines would then serve as the basis of the next report. All this presupposes, of course, a clear definition of the division of powers among the National Assembly, the prime minister, and the various central agencies and individual ministers. This is what also the prime minister has just urged in his speech before the National Assembly.

[Question] Regulation of the relationship between the National Assembly on the one hand, and the government and the Presidential Council on the other, raises constitutional questions that exceed the framework of the National Assembly's rules of procedure. Will it be enough to modernize the rules of procedure?

[Answer] No. But we must go farther back for an answer. Plans to reform our system of political institution are now on the agenda in the workshops of social science and politics. In conjunction with the aforementioned division of powers, the question of amending the Constitution or adopting a new one has also been raised in the

debates. I think that the national Party conference to be held in the first half of next year will adopt a policy standpoint on these questions.

[Question] With so many things astir, is this the right time to modernize the National Assembly's rules of procedure?

[Answer] So far as timing is concerned, the rules of procedure are indeed due for modernization. Our only dilemma is whether or not to wait until a decision is adopted regarding the Constitution. Because until then, in my opinion, it will be advisable to introduce in the rules of procedure only changes that will not require amending the present Constitution. But once this question has been decided and, let us assume, the National Assembly has appointed a Committee on Drafting the Constitution, the situation will be entirely different.

1014

POLAND

Party Activities Calendar 26 October-8 November 1987

26000101b Warsaw ZYCIE PARTII in Polish
No 23, 18 Nov 87 p 21

[Text]

26 October-8 November

Meetings of the Central Committee Political Bureau

27 October. The Politburo learned about preliminary public opinions about the referendum.

The problem of thrift in the economy and government was discussed along with the efficient use of material resources and fuels and the control of waste.

Information was presented about the course and results of the 48th session of the Council on Economic Mutual Assistance.

Conferences and Meetings

28 October. Central Committee First Secretary and Chairman of the Council of State Wojciech Jaruzelski and Council of Ministers Chairman Zbigniew Messner received a visit from Karoly Grosz, chairman of the Council of Ministers of the Hungarian People's Republic.

Politburo Member and Central Committee Secretary Jozef Baryla chaired a meeting of the Central Committee's Commission on Internal Party Affairs and Party Activity in Representative Organs and Government.

The chief theme of the meeting was the party's preparations for the referendum.

Politburo Member and Central Committee Secretary Jozef Czyrek received a visit from the director of the French Institute of International Affairs, Thierry de Montrial.

Politburo Member and Central Committee Secretary Marian Wozniak was visited by a member of the central committee politburo of the Cuban Communist party, deputy chairman of the Cuban council of state and vice-premier of Cuba, Pedro Mireta Prieto.

29 October. A two-day meeting of the 8th National Conference of Worker Self-Government Representatives ended in Warsaw. Chairman of the Council of State and Central Committee First Secretary Wojciech Jaruzelski took part in this meeting. Among the other guests were Politburo Member and Central Committee Secretary Marian Wozniak.

Politburo Member and Central Committee Secretary Jozef Baryla met with the leaders of a brigade of youth from the Korean Democratic People's Republic which was ending a two-week visit to Poland.

Politburo Member and Chairman of the Central Review-Audits Commission Wlodzimierz Mokrzyszczak met with the chairman of Hungary's Central Commission for Popular Control, Laszlo Ballai, who was visiting Poland.

Vice-chairman of the Central Review-Audits Commission and Chairman of the Supreme Chamber of Control Tadeusz Hupalowski took part in the meeting.

30 October. The yearly briefing of the leaders of the Polish People's Army was held in Warsaw with the Supreme Commander of the Polish Armed Forces, Army General Wojciech Jaruzelski.

2 November. The Politburo established the party and government commission for proper use of personnel in connection with the reorganization of the administrative center. The commission will be chaired by Deputy Politburo Member and Central Committee Secretary Jozef Baryla.

3 November. Members of the party leadership visited various workplaces to talk with worker representatives about the goals of the national referendum and the mechanisms of the second stage of economic reform. The following meetings were held today:

Kazimierz Barcikowski with employees of the Kombinat State Farm in Bieganow near Poznan; Jozef Baryla with employees of the Baildon Steel Works in Katowice; Wlodzimierz Mokrzyszczak with the party aktiv at the Stalowa Wola Steel Works; Zygmunt Moranski with workers at the Silesian Food Concentrate Works in Wodzislaw; Tadeusz Porebski with the party aktiv of the Research and Development Department at the Swidnik Transportation Equipment Plant; Florian Siwicki with the employees of the Bierut Steel Works in Katowice;

Marian Wozniak with employees of the Warsaw Roza Luksemburg ZWLE; Zbigniew Michalek with farmers at the Kozuchow Agricultural Complex and employees of the First Aid Medical Unit at Przylepo in Zielona Gora Voivodship; Stanislaw Bejger with employees of the Gdansk Paris Commune Shipyards; Bogumil Ferensztajn with workers at the Bytom Construction Works; Janusz Kubasiewicz with employees of Stolbud in Wolomino; Gabriela Rembisz with railway workers of the Poznan line of the Polish State Railways; Stanislaw Ciosek with employees of the Wloclawek Celuloza Works; and Andrzej Wasilewski with representatives of the artistic community in Torun.

At the PZPR Central Committee headquarters, Central Committee Secretary held a training course for Central Committee and voivodship lecturers. The subject of the course was discussing the plan for realization of the second stage of economic reform and the party's tasks before the referendum.

4 November. The Supreme Council of the Union of Fighters for Freedom and Democracy discussed the historical role of the victory in the Great October Revolution. Politburo Member and Central Committee Secretary Jozef Baryla and defense Minister Florian Siwicki took part in the discussions.

There was a round of recent meetings between party leaders and workers including:

Jan Glowczyk at the Pioma Mining Machinery Works in Piotrkow Trybunalski; Tadeusz Porebski with the social and economic aktiv in Miedzyrzecz Podlaski; and Kazimierz Cypryniak at the Tarnow Machine Works.

The Warsaw Relax Movie Theater inaugurated its 41 Days of Soviet Film with a premier showing of Shakhnazarov's film "The Errand Boy" [Goniec]. Central Committee Secretaries Henryk Bednarski and Andrzej Wasilewski attended this premier along with Soviet Ambassador Vladimir Brovikov.

5 November. There was a conference in Warsaw of the first secretaries from plant committees of the 208 most important enterprises with the economic and agricultural affairs secretaries of the voivodship PZPR committee. They discussed current economic problems and especially a program for the realization of the second stage of economic reform.

Marian Wozniak and Kazimierz Cypryniak took part in this meeting.

6 November. The Warsaw Grand Theater held a ceremonial event honoring the 70th anniversary of the Great October Revolution. Speeches were made by Central Committee Secretary Jozef Baryla and Soviet Ambassador Vladimir Brovikov.

7 November. In honor of the 70th anniversary of the Great October Revolution, wreaths were laid at the foot of the Feliks Dzierzynski statue, the Soviet Army Cemetery and the Tomb of the Defenders of the Warsaw Citadel. Leaders from all political parties took part in the ceremonies.

Institutions and Organizations

26 October. The Zielona Gora Voivodship PZPR Committee met to discuss the inspirational and control functions of the primary party organizations [POP] in the light of the resolutions of the 4th Central Committee Plenum.

28 October. The Krakow PZPR Committee evaluated the realization of the resolution of the 4th Central Committee Plenum. Politburo Member and Chairman of the Central Review-Audits Commission Wlodzimierz Mokrzyszczak took part in the discussion.

The Radom Voivodship PZPR Committee [KW] has analyzed the economic results of the voivodship's enterprises and working conditions.

The Skierniewice KW met to discuss letters, complaints and citizen appeals for intervention to party instances. The director of the Central Committee Department of Letters, Complaints and Inspections, Marian Kot, was also present.

The Tarnow KW examined the conditions for modernization and growth of Tarnow's industrial enterprises.

29 October. The Pila KW discussed conclusions drawn from a review of the voivodship's POP's.

6 November. The Katowice KW assessed the region's social and political situation in the light of preparations for the national referendum and reviewed organizational problems. Present at this meeting were First Secretary Wojciech Jaruzelski, Premier Zbigniew Messner and Zygmunt Muranski. In connection with Bogumil Ferensztajn's assumption of the post of minister of regional management and construction, his resignation as first secretary of the Katowice KW was accepted. Manfred Gorywoda was named the new KW first secretary. Central Committee department directors Stanislaw Gabrielski and Wladyslaw Honkisz also attended the meeting.

Interparty Cooperation

1 November - 7 November. A Polish delegation to ceremonies marking the 70th anniversary of the Great October Revolution arrived in Moscow. The delegation was led by First Secretary of the PZPR Central Committee and Chairman of the Council of State Wojciech Jaruzelski and included Politburo Member and Chairman of the Council of Ministers Zbigniew Messner, Politburo Member and Central Committee Secretary

Jozef Czyrek, Central Committee Secretary and Chairman of the Society for Polish-Soviet Friendship Henryk Bednarski and the Polish Ambassador in Moscow, Włodzimierz Natorf.

2 November. A two-day joint ceremonial meeting of the CPSU Central Committee and the USSR and RSFSR Supreme Soviets was held in honor of the 70th anniversary of the Great October Revolution. Some 162 delegations from 119 foreign countries attended this meeting. The first of the foreign guests to speak was First Secretary Wojciech Jaruzelski.

4 November. At the Kremlin Palace of Congresses, there was a two-day meeting of representatives from the parties and movements sending delegations for the 70th anniversary of the Great October Revolution. First Secretary Wojciech Jaruzelski made a speech on the first day of the meeting.

A delegation of the Central Committee Social Sciences Academy under Rector Jarema Maciszewski visited Czechoslovakia. The delegation was received by Josef Havlin, secretary of the Central Committee of the Czechoslovakian Communist Party.

7 November. On the occasion of the 70th anniversary of the Great October Revolution, there was a military parade and public march at Red Square in Moscow. Wojciech Jaruzelski and the chairmen of other foreign delegations joined Soviet party and state leaders and Mikhail Gorbachev on the reviewing stand on top of Lenin's Tomb.

Correction

Due to a typographical error, the Party Chronicle from the last issue of ZYCIE PARTII (number 22/508 of 4 November 1987) incorrectly reported the plenum sessions of the Katowice and Bialystok KW's and we sincerely apologize for the errors. The texts should have read as follows:

15 October. The Katowice KW discussed the state of realization of the resolution by the 4th Central Committee Plenum and the upcoming tasks for the voivodship's party organizations. The plenum elected Zygmunt Lebda-Wyborny as KW secretary for science, education and culture. Jozef Baryla and Zygmunt Muranski, Politburo members and Central Committee secretaries, took part in the meeting which was chaired by Deputy Politburo Member and KW First Secretary Bogumil Ferensztajn.

17 October. The Bialystok KW discussed the educational functions of party organizations at workplaces. The plenum meeting elected Lucjan Niewiarowski as agricultural secretary of the KW.

12261

Party Activities Calendar 21 December 1987-3 January 1988

26000145b Warsaw ZYCIE PARTII in Polish
No 1, 13 Jan 88 p 21

[Unattributed article: "Party Chronicle: 21 December 1987-3 January 1988"]

[Text]

Sessions of the Central Committee Politburo:

22 Dec

The Politburo

—Examined the government drafts of the 1988 Central Annual Plan and the state budget and the current situation on the consumer goods market;

—Accepted a report on the results of the Warsaw meeting of first secretaries of the party committees of the capitals of six socialist countries and evaluated it as highly useful.

Conferences and Meetings

21 Dec

—The plenum of the Main Board of the ZSMP [Union of Polish Socialist Youth] discussed aspects of the educational aspirations of the rising generation. Its deliberations were attended by Politburo Member and Central Committee Secretary Tadeusz Porebski.

22 Dec

—First Central Committee Secretary and Chairman of the Council of State Wojciech Jaruzelski received Minister of Foreign Affairs of the Czechoslovak Socialist Republic Bohuslav Chnioupek during the latter's official visit to Poland. The meeting was attended by Minister of Foreign Affairs Marian Orzechowski.

23 Dec

—Politburo Member and Central Committee Secretary Jozef Baryla received members of the leadership of the Rural Youth Union. Principal problems and tasks of the Union relating to the reports-elections campaign were discussed.

31 Dec

—Candidate Member of the Politburo and First Secretary of the Gdansk Voivodship PZPR Committee Stanislaw Bejger met with the aktiv of the Lenin Shipyard in Gdansk.

At Party Echelons and Organizations

21 Dec

—The Bialystok Voivodship PZPR Committee outlined the tasks of the voivodship party organization as regards ideological activity. Its deliberations were attended by Director of the Ideology Department of the PZPR Central Committee Andrzej Czyz.

—The Lodz Voivodship PZPR Committee discussed tasks of party work among youth. Its deliberations were attended by Politburo Member and Central Committee Secretary Jozef Czyrek.

—The Lomza Voivodship PZPR Committee outlined the tasks of the voivodship party organization in implementing the resolutions of the Sixth Central Committee Plenum. Its deliberations were attended by Director of the Socio-Legal Department of the PZPR Central Committee Andrzej Gdula.

—The Siedlce Voivodship PZPR Committee evaluated the implementation of the resolution of the 24th Central Committee Plenum on improving and developing education in the region. Its deliberations were attended by Director of the Science, Education, and Technology Progress Department of the PZPR Central Committee Boguslaw Kedzia and Central Committee Member and Minister of National Education Professor Henryk Bednarski.

23 Dec

—The Wroclaw Voivodship PZPR Committee devoted its deliberations to discussing the growth of housing construction in the voivodship.

29 Dec

—The Bydgoszcz Voivodship PZPR Committee considered the assumptions of the region's 1988 socioeconomic development plan.

—The Kielce Voivodship PZPR Committee discussed the implementation of tasks to enhance the effectiveness of party activities.

—The Krosno Voivodship PZPR Committee outlined the tasks of the voivodship party organization in implementing the resolutions of the Sixth Central Committee Plenum.

—The Nowy Sacz Voivodship PZPR Committee formulated tasks for party elements and party members as ensuing from the resolutions of the Sixth Central Committee Plenum.

—The Suwalki Voivodship PZPR Committee outlined the tasks of the Suwalki party organization in the light of the resolutions of the Sixth Central Committee Plenum.

Interparty Cooperation

18-22 Dec

—Poland was visited by a delegation of the Department of Contacts With the Fraternal Parties of the Socialist Countries under the CPSU Central Committee, headed by Deputy Director of the Department Rafael Fiodorov and Section Head Vitaliy Svetlov. The delegation held talks with Director of the Foreign Department of the PZPR Central Committee Ernest Kucza and agreed upon a plan for cooperation between the PZPR and the CPSU during the years 1988-1989. Toward the end of its sojourn the delegation was received by Politburo Member and Central Committee Secretary Jozef Czyrek. The meeting was attended by USSR Ambassador Vladimir Brovikov.

23 Dec

—A delegation of Soviet artists and cultural activists ended its visit to Poland. The delegation was received by Central Committee Secretary Andrzej Wasilewski and toward the end of its visit it met with Director of the Chancellery of the Central Committee Secretariat Boguslaw Kolodziejczyk and Director of the Culture Department of the PZPR Central Committee Tadeusz Sawic.

1386

Commentary Denies Weaker Party Role With Reform

26000113a Poznan GAZETA POZNANSKA in Polish
19 Oct 87 p 4

[Article by Wieslaw Kandziora: "Convenience or Lack of Imagination?—If Not, Then What?"]

[Text] A certain secretary in a PZPR committee at a large enterprise recently entrusted me with some considerable doubts that were disturbing him. "Well, good," he said, "it's a time of reform. We are staking everything on making life more economical, giving workers the right to manage themselves and allowing directors greater independence in making decisions while obligating them to consult with their workers. But where in all this," wondered this individual, "is there a place for the party when its representatives, PZPR plant committee secretaries and primary party organizations [POP] have no power or legal guarantees protecting them if they decide to oppose decisions?"

"The party is always between the devil and the deep blue sea which means the unions and the plant directors or between the interests of the people and those of the plant. They are also caught between the prestige of the party itself and the need to obey plant directives or even the pressures, petty interests and ambitions that make it so hard to manage an enterprise".

I will admit that I would not note these remarks with such mixed feelings if the opinion of this committee secretary were not so widely voiced. One hears the same things said quite often by others.

Does the economization of life really have to conflict with the leading role of the party? Does reform-minded thinking which throws the spotlight on directors, worker's councils and the unions restrict the party's field of maneuver or, as one sometimes hears, even make it impossible for the party to act? With the country entering the second stage of economic reform, must the POP's feel forced by managers into the role of passively observing events or at best merely monitoring or passing information along?

I think that these questions should not be regarded as naive nor should we make light of such concerns. It is a fact confirmed by more than one example (even here in Poznan) that, in the opinion of secretaries of some POP's, OOP's [district party organization] and factory party committees, during the reform period, thought about the party's tasks has begun to run along fairly dangerous paths.

What is the essence of these questions and doubts? What lies behind the fears that party activists have about the future status of their organizations and the possibilities of fulfilling the role assigned by the 9th and 10th congresses, the party program and the 4th Central Committee Plenum?

Someone has said that the answer is weakness. There is little faith in the possibility of influencing not only non-members but also members that hold what they think are positions somehow exclusive of the normal party membership or at least exclusive of the membership of the plant POP whose meetings the director can only attend as a visitor. Is this sometimes not the case?

Indeed it is and sometimes even worse. After all, a party activist visiting a plant will talk with the director or some obscure secretary. Sometimes, the director makes light of the secretary's task or even laughs at him and derides the ideological values cited in place of economic or practical values. Can one, therefore, be surprised at the fears expressed by some secretaries at lower levels of the party who are alarmed by the vision of the "collapse" of the party's authority?

Certainly not unless one looks at one fundamental question. What power is it that the party secretaries are most concerned about? Is it the power to run a rich and profitable enterprise? Is it that party members work in a certain manner and do not always have the time to listen to a secretary's tirade? Is it perhaps their fragile right to be first to shake hands or to agree with the director, who nevertheless thinks what he wants to think? Perhaps, due to the lack of any other arguments, they are again dreaming about orders given in the name of and supported by the "Divan" and about principles that refute even the wisest and most economically-justified arguments...

Is this a crisis of authority? No, it is rather a crisis of the methods of political guidance of enterprises under the new balance of forces, and after a balance has been achieved between ideological and economic concerns, there is economic equality. We already know that we have irrevocably passed the time of stick-and-carrot political pressure and all of the infamous dreams. But where do we go now? How do we lead without leading and command without ordering compliance?

I think that convenience and lack of imagination in choosing our methods of party leadership have become very dangerous not only to reform but to our new and motivating way of thinking. After all, we no longer even need imagination. The wheel was invented a long time ago and all we need to do is put it on our own wagon.

Are the party task-forces in the worker councils in some of Poznan's plants not a modern form consonant with the principles of economic reform? Are similar groups within the trade unions not the party's adjustment to the new conditions under which plants are managed during reform? As I myself saw at Poznan's Wiefopama plant, Eltor and WPEC, in order to realize party policy, these groups do not have to win with numbers but with their knowledge, their preparation of a united position and their policies on the most sensitive issues of plant life.

Someone said that such methods of management and sharing responsibility for the plant are time- and work-consuming. It is true that the secretaries of the POP's, OOP's and plant PZPR committees also have other professional duties and their constant obligation to discuss, argue and convince others is tiring and does not always give the desired results. However, have we not already learned that it is wiser to win over than conquer an adversary?

12261

Closer Prosecutor, Media Cooperation Explored
26000112c Warsaw RZECZPOSPOLITA in Polish
18 Nov 87 p 7

[Unattributed article: "The Prosecutor and the Mass Media"]

[Text] Evaluation of cooperation between the prosecutor's office and the mass media was the subject of a 17 November meeting of the collegium of the Office of the Polish State Prosecutor.

It was stressed that the basic directions for action by the prosecutor's press spokesman are earnestly informing the public about social phenomena under investigation and the prosecutor's ongoing tasks and actions to fight crime and other social pathologies and popularizing knowledge about the law.

More lively contact with the mass media was called for. At the same time, it was also said that cooperation with the press, radio and television must be improved. Special attention was drawn to the need for a better reaction to press criticism because this is an essential factor in giving the public a social and legal education.

The collegium which was chaired by Prosecutor General Jozef Zyta also learned about the present course of work to review organizational structures and jobs in certain organizational units of the prosecutor's office and heard information from the Slupsk and Konin voivodship prosecutors about the realization of the most important tasks in the prosecutor's action program for 1987.

12261

Local Decisionmaking Promoted

*26000112e Warsaw TRYBUNA LUDU in Polish
19 Nov 87 p 5*

[Unattributed article: "Government Employees Must Be Independent"]

[Text] In the Warsaw City Hall on 18 November, courses in the Center for Post-Graduate Education of Government Employees were inaugurated.

Vice-Premier and Chairman of the Council of Ministers Planning Commission Zdzislaw Sadowski spoke about the new tasks that state employees face under the changes in the economic system.

"The present conditions," he said, "require a great store of knowledge and the freedom to use it. Regional government employees need greater independence to exercise responsibility and decision-making. They will have the responsibility for making decisions to solve local problems."

12261

Call for Less Party Agitprop, More Cooperation, Action

*26000145a Warsaw ZYCIE PARTII in Polish
No 1, 13 Jan 88 p 9*

[Article by (L.B.): "Nowadays Agitprop Is Not Enough"]

[Excerpts] The reform program will be continued, the first secretary of the PZPR Central Committee declared at the Sixth Plenum, and in the referendum the society expressed its opinion on the pace of innovations, especially as regards the policy on prices and incomes, rather than on the assumptions themselves of the second stage of the economic reform. These shall very resolutely be translated into reality.

The resolution of the Sixth Plenum expresses total approval of the program for reforming the economy, which reflects socialist renewal and a policy meeting the needs and aspirations of the society and expressing the objective correctness of development of our country.

Does this mean that we shall now act differently? No, [we shall continue to act] just as consistently and tenaciously so that the overall pace of the reforms would not slow down—while at the same time modifying certain assumptions of the policy on prices and incomes.

That is why the party regards as its most urgent task precisely attaining [the economic] equilibrium by augmenting the supply of goods and services and reducing production cost. That is why it supports broadly conceived thrift and resourcefulness in every sector of the economy and the restructuring of wage systems so that they would reward more effectively productivity, innovativeness, quality, and efficiency.

This concerns such issues as, for example, a system of financial and investment policy, housing construction, the restructuring of discrete industrial subsectors, trade as a whole, problems of spurring exports, science and technology progress, employment policy, agriculture and food industry, improvements in production quality, incentive systems, social policy, and the policy on prices and wages.

Some problems will be solved more rapidly than others. Such are the consequences of the referendum to, e.g., the policy on prices and wages. But this does not necessarily mean that the pace in other domains must slow down. On the contrary, this will require much more rapid improvements in efficiency and in reducing production cost with the object of counteracting the consequences of the reduction in subsidies.

The delays in restoring price sanity will of a certainty be a major complication, but they cannot and should not retard the course of the reforms as a whole. Such complications concern especially the present system of cost accounting which, given the current distorted prices, does not reflect the actual social outlays on the production of particular goods, and hence it distorts, and sometimes simply renders impossible, realistic calculations of cost, effectiveness, productivity, and profits in discrete enterprises and industrial branches and subsectors.

The elimination of these anomalies should be promoted by the assumptions of the policy on prices and incomes presented in the referendum. The society has, owing to its numerous and often justified apprehensions, expressed its preference for a staggered and slower pace of the restructuring of prices and incomes.

Hence, revisions of the program for the second stage of the economic reform concern primarily:

—assuaging the pace of changes in prices and incomes, spacing this entire operation over a 3-year time frame—for example, the rise in food prices this year will be about 40 percent instead of the planned 110 percent, and the overall price increases planned for 1988 will be 27 percent instead of 40 percent;

—a planned budget deficit of 370 billion zlotys (owing to a slower pace of the curtailment of subsidies);

—maintenance of the planned pace of changes in the prices of producer goods;

—adjustments of the 5-Year Plan to allow for accelerating the restructuring of industry.

At the same time, the government has decided to abolish the highly controversial 12-percent ceiling on wage increases, to allow a higher depreciation rate for enterprises, to markedly restrict planned allocations (by 60 percent compared with the preceding year), and to maintain the retained share of foreign exchange earnings [by enterprises] at its current level. Centralized imports will be reduced and a greater part of foreign exchange will be available for sale and purchase rather than for allocation (broadening the so-called foreign-exchange negotiations). In addition, the number of government orders which so far could not be completely filled owing to scarcity of supplies, thus placing their implementation under a question mark, will be reduced.

If we also consider the changes in the management system, the reform of national agencies, the restructuring of local state administration, and the marked reduction in the number of branch ministries in favor of functional ministries whose principal purpose is to represent the interests and policies of the state rather than to administer enterprises and economic organizations, it turns out that the field for action is sufficiently broad.

Protecting the interest of the economically weakest social groups requires not just maintaining the level of real incomes but also stimulating a growth in the incomes of the lowest-income group. This is a fundamental prerequisite for gaining social trust and the society's active support of the party and government policy in implementing the program for economic and social reforms.

The adoption and acceptance of a broad reform program does not mean that it will automatically succeed. For this is not an easy process—on the contrary, its complexity necessitates surmounting a large number of barriers, overcoming resistance, and even waging a sharp struggle.

For the reform is providing conditions for equal opportunity of start but does not assure the same success for all. On the contrary, it presupposes the elimination of inefficient organizations from economic life and is aimed against those who have succeeded in turning mismanagement into a source of undeserved profits,

against passive and incompetent enterprises. The resistance of individuals at such enterprises is often very strong. This has to be combatted consistently and thoroughly. Any compromise, any concession, any inconsistency, weakens the entire coherent system of the economic reform and undermines its credibility and confidence therein.

Nowadays agitation and propaganda in behalf of the reform are no longer the point. The time of rich and lively discussions is already behind us. Now we face a concrete program and must concentrate all social forces on implementing it.

We need more democracy, but we also need more discipline, whose lack in the past has paralyzed many justified assumptions and undertakings.

The scope of the cooperation between the party and the allied political parties as well as with that representative of broad social groups, the PRON [Patriotic Movement for National Rebirth], and with the socio-professional organizations is growing broader. These allies expect of us an unswerving affirmation of identity, consistency, and determination in continuing the process of historic reforms initiated at the 10th Congress. We, on our part, expect of these allies complete support and solidarity in solving all the difficult and complex problems in ways that may not always be popular but are indispensable and necessary, as demonstrated by the results of the recent referendum.

1386

Critique of CPs Notes Need for More Ideological Reorientation

26000101a Warsaw TRYBUNA LUDU in Polish
10 Nov 87 p 3

[Article by Wladyslaw Markiewicz, vice-president, Polish Academy of Sciences: "What to Expect From the 6th Plenum of the PZPR Central Committee—A Modified Kit"]

[Text] The radical economic and government reforms started in recent years by Poland and the entire socialist block were introduced to make the socialist system a more efficient and democratic one and have made it increasingly urgent to reorient the ideological bearings of the communist and worker's parties. This is neither a new nor shocking postulate because both the 9th and 10th party congresses spoke about the need to take such actions and the issue has also been discussed at various theoretical conferences such as the one organized by NOWE DROGI on the occasion of the 70th anniversary of the Great October Revolution and which was attended by the editors of the leading newspapers of our fraternal communist parties.

It is obvious that new ideological principles for a Marxist-Leninist party to meet the demands of a dramatically-changing social and political situation cannot be codified by a simple order or decree. Time is needed for social-science specialists, not necessarily all party members, the party aktiv and the POP's [primary party organization] to discuss controversial theoretical and ideological issues. That is why the 6th Central Committee Plenum's statement on ideological issues aroused such strong feelings. Some comrades fear that they may have to make hurried decisions on key questions that ought to be handled by a party congress or conference.

I agree in part with those fears but also know that at different times in the past, some Central Committee plenums have been more important than the party conferences or congresses and that they made decisions that anticipated later ones made at a congress. There is no doubt that the party now needs a modified ideological "kit" and that it cannot fulfill its leadership role to meet the present challenges without being able to concisely define long-term goals and the methods used to reach those goals. The 6th Plenum should at least try to catalog and synchronize the most important (and scattered in various and mostly controversial statements) problems in a new understanding and ways of interpreting the ideological principles of socialism, namely freedom, equality and social fairness. The plenum should also define the chief directions for theoretical and practical exploration so that we can meet the challenges of the present stage of development of science and social needs and apply certain ideological principles that have up to now assumed the form of thoughtless stereotypes and conceptual relics.

In the following concise form, I wish to propose the following loose doctrinal premises that require at least some reinterpretation if not outright rejection and replacement by new ideological guidelines:

1. An ahistorical understanding of the Leninist idea of the primacy of politics over economics has created the theoretical basis for arbitrary decisions in economic planning and has been used to justify the ideological supremacy of a centralized system. The problem of the relationship between politics and economics requires that Marxism form the basis for a decidedly new approach.

2. One of the issues most extensively exploited in ideological discussions of the second stage of reform is the question of ownership and the possible equalization of all of its various forms. We can and should understand and support demands for a more flexible and liberal policy on private ownership of means of production so as to promote efficient economic innovation but at the same time, promoting the illusion of an absolute free play of forces in this area will not in the long run do anything to encourage private initiative because, as we all know, the production relations in a socialist state must be based above all on public ownership. Another

issue is the need to overcome the habit of confusing concepts like "state ownership" which has taken the form of a bureaucratic-centralistic system with "socialized ownership" which we associate with the effective participation of worker self-management in the management of the workplace. Anyway, the complex of issues associated with the problems of ownership demand precise ideological illumination.

3. Considering the changes in the class, social and professional structure of the countries undergoing the scientific and technical revolution and the fact that microelectronics, biotechnology and computerization will also make inroads into the Polish economy, we must reexamine the leading role taken by the industrial working class in our social and political system. This issue is closely associated with the question of a new work ethic that will certainly be formed under conditions different from those presently created by a right to work which is often confused with a right to employment.

4. In a situation in which the party must, in order to demonstrate that it is indeed the guiding force in society, become the chief promoter of reconstruction, the criteria for assessing the ideological views of party members must also change. The most rapid possible adaptation to the newest scientific and technical solutions in all areas of life naturally creates a demand for enlightened people with ideas and energy and unafraid to risk making an ideological mistake. The preference given this type of attitude cannot be reconciled with the traditional concept of deviating from the party lines based either on revisionism (right-wing opportunism) or dogmatism (left-wing sectarianism). In practice, dogmatism is usually seen as the lesser evil, but its "bearers" are treated with tolerance despite the fact that every crisis has shown that this tolerance has helped to reinforce loyalty to obsolete formulas that are the cause of our misfortunes. At the same time, the "revisionist" wing is seen chiefly as a threat to the party and socialist reconstruction. The use of this simplified outlook has been murderous to reform within the party and supporters of reform are often seen as people who deviate from "real" Marxism.

5. For some time, the term of "coalitional exercise of power" was used in official discourse. There exist different opinions about the ideological cohesion and the political eloquence of this formula because in spite of all, it is association with the manipulation of party elections in western democracies. It is highest time to disperse these doubts.

12261

PRON Youth Forum Questions Reform Issues
26000112b Warsaw RZECZPOSPOLITA in Polish
18 Nov 87 p 2

[Article by (el): "27th Forum of the Young Generation"]

[Text] (Own information) What causes the dilemma in reforming the political system, what are the basic difficulties and how can they be overcome? What does "democratization of life" mean? Must every change be a departure from ideology?

These questions were presented for discussion by professor Jerzy Wiatr at the 27th Forum of the Young Generation which was held on 17 November at the headquarters of the PRON National Council. The subject of this session was the problems of government in a socialist system.

The young participants referred to examples from their own places of employment, schools, communities and neighborhoods. They spoke about the public's passive attitude, lack of political knowledge and dying interest in what is happening around them.

There were many statements, questions and doubts and the often-polemical tone of utterances attests to the fact that young people want to know and say that they care about what sort of country they live in and the shape of their future.

Vice-Chairman of the PRON National Council Alfred Beszterda also participated in the forum.

12261

PRON's 'Confrontation' Aims To Break New Ground, Reach Young Intellectuals

26000153b Warsaw TRYBUNA LUDU in Polish
4 Jan 88 p 3

[Article by Piotr Rządca: "'Confrontations' With Readers"]

[Text] "Why?" (sock people in the jaw)—vide the cover of the new monthly, 'CONFRONTATIONS'—considering that the discussion can be kept at a purely verbal level? Such is the credo I found to underlie the initiative of the PRON [Patriotic Movement for National Rebirth] National Council in publishing a periodical in which persons critically disposed toward the policies of the authorities as well as the framers of these policies vent their feelings toward each other. Any form of dialogue is desirable and merits notice, and the birth of 'CONFRONTATIONS' confirms that freedom of the word, including the printed word, has a very broad scope in this country.

The intentions of the editorial team of the new monthly were expressed in a kind of ideological declaration with which the first issue is opened. "The authorities, we assume, desire to cross the boundaries of qualitative changes [as published] and take bolder steps on the path toward democratization. But at the same time, taught by the experience of recent years, they fear that their more bold decisions may be exploited against themselves. The oppositionists, as well as those taught by recent years, are mistrustful.... The "silent ['majority']" are hesitating. But time goes on. An attempt to cross the boundaries from each and in each direction is necessary."

The editors are desirous of assisting and mediating in such crossovers. But above all, they set themselves the ambitious task of reaching the young intelligentsia, the people who "refuse to recognize the rationale of only one side, of—to oversimplify it—only either the party or the opposition."

The intentions are in every way noble, the ambitions high, and the social effect of such initiative may be valuable. However, the first issue of the new monthly does not yet warrant opining whether these intentions are realistic.

While reading that issue, I have not observed any confrontation of different views; on the contrary, in that first issue the views expressed are rather uniform. But still this is only the beginning. I read with interest the article by Michal Kabat, director and editor-in-chief of the PIW [State Publishing Institute], who convincingly argues that the so-called second circulation [underground publishing] is unnecessary since at present it publishes chiefly mystery novels, because there are no longer any customers for, e.g., the memoirs of the interned. An excellent editorial idea is asking questions of various personages.

I read in the editorial article of that issue that the editors had been struggling for 3 years to publish their periodical. Now they face a more difficult task—gaining a readership. But as for readers, those are by now very discriminating, having at their disposal a broad range of periodicals and an unusually open press. Hence, the competition is strong and many other "bridging" periodicals exist as well.

A nonparty academic has published in a periodical an unusually sharp article critical of our economy; he had expected equally sharp and uncompromising polemics, but there was no response at all from any reader, which caused our academic to feel frustrated. Because by now the courage to be critical has become common, oppositionism has ceased to astonish people, and the number of readers of ambitious articles is not that large. Perhaps a time is coming when verbal confrontations become less important than socially effective deeds, deeds that bring genuine progress.

1386

OPZZ, PRON Submit Housing Propositions

26000112d Warsaw TRYBUNA LUDU in Polish
17 Nov 87 p 2

[Unattributed article: "How Can the Housing Crisis Be Overcome?"]

[Text] The situation in housing construction was the subject of a meeting of the PRON National Council's Construction and Housing Policy Commission, representatives of the Council on Housing and the OPZZ and

ZSMP [Union of Polish Socialist Youth] Task Force on Construction at which a program for quicker action to overcome the present impasse was considered.

A document adopted at the meeting stipulates quicker and more decisive action in several areas of concern. In order to obtain and prepare land for construction, it was decided that it would be necessary to hasten work to prepare several plans for regional management and to set legal land documentation in order.

Another proposal discussed at the meeting was the creation of a Communal Management Bank that could actively use construction funds and stimulate more public participation in construction finance. PRON and OPZZ representatives will submit to the Sejm a bill for a housing law that will set the principles for housing policy over the next 20 years.

12261

ZSL Official Critical of OPZZ, Rural Conditions
26000153a Warsaw ZYCIE WARSZAWY in Polish
8 Jan 88 pp 1, 2

[Interview with Kazimierz Olesiak, secretary, Executive Committee, ZSL [United Peasant Party], by Bozena Cieslikowa: "The Peasants Say: Enough Talking"]

[Excerpts] [Question] The United Peasant Party has, prior to the referendum, appealed to the entire rural population for utilizing its Constitutional right to express directly its will concerning matters of great importance to the future of Poland and Poles. The peasants availed themselves of this right, and many of them declared "No." How do you account for this?

[Answer] Let us honestly admit that we failed to convince the countryside that the reform won't merely be reduced to price increases. After all, each day the peasants pay contract prices for the means of production they need, while at the same time selling their produce at official prices which are fixed once a year. What is worse, the supplies of these increasingly dearer means of production remain limited, although the purpose of their price increases was to make them finally available. It was this precisely that had largely motivated the farmers to declare "No" in the referendum.

[Question] What does the countryside expect?

[Answer] Above all, the peasants are fed up with talk. They impatiently say, "Enough questions, enough explanations! Do something, finally!" And they have the right to expect this of the authorities, because they themselves have been actually operating under conditions postulated by the assumptions of the reform several years ago. They get paid not for the time spent on milking the cow, as Zbigniew Michalek [a PZPR Central Committee member] picturesquely put it, but only for the quality and quantity of the milk they produce. In the socialized

sector we are only beginning to strive toward a goal that has long since been applied in agriculture: pay only for the results of the work. For only good work is well-paid, because good workers are considered important throughout the world.

[Question] It seems from this that no systemic problems are besetting the countryside: the economic principles are such that they motivate good work and high production, which moreover there is desire to modernize. Not to mention the harvests, which have been, year after year, simply extremely good.

[Answer] Let me say more: the peasant feels quite safe on his farm—its inviolability is safeguarded by the Constitution. But he must be a good farmer, and this is the basic prerequisite for the growth and future of his farm.

[Question] Except that....

[Answer] Except that this is merely a model, a skeleton to be fleshed out, an ideal concept of the countryside as based on principles acknowledged by both parties—the PZPR and the ZSL in their combined actions. This skeleton should be fleshed out substantively. The documents announced following the joint sessions of both parties speak specifically of resources for investing in the food industry, of increases in the supplies of fertilizers and crop protectants, and lastly of equalizing the living conditions and standards, that is, of parity of incomes in town and country.

We do not conceal, however, dissatisfaction and discontent that, e.g., in relation to the results of its performance, agriculture is definitely not adequately supported by the economy as a whole. Agriculture and the food industry as a whole still remain underinvested, which greatly imperils the continued implementation of the food program.

[Question] Except that this policy is pursued by the government....

[Answer] In every important question we have been consulting the highest levels of the government—e.g., as regards rural incomes, and the equalization of production cost and partially also of living costs has by now become a principle. But we find it difficult to maintain profitability of farming, which anyhow exists only on mid-sized and large farms. Unfortunately, it did not prove possible to retain parity of incomes at a level equal to urban incomes; this was due to inflation and the widening gap between the procurement prices of farm produce and the prices of means of agricultural production.

In the spring of 1986 you had told the readers of 'ZYCIE WARSZAWY' that there is a boundary below which the decline in the living standards of the countryside and in the profitability of farming result in halting agricultural production. In our conditions this can only mean market

shortages—precisely what is thought to be the greatest danger. Rural incomes have fallen below that boundary, being below 90 [as published] as compared with urban incomes. The worsened situation is also being signaled by the farmers' trade-union organization, which has instituted legal proceedings for a decision concerning the consideration of all the costs borne by the farmer. On the other hand, however, in face of the second stage of the economic reform, the OPZZ [National Trade Union Alliance], which represents workers, has declared that it [workers] will not pay for these costs, i.e., that it is opposed to the increase in food prices.

In order to be consistent with that declaration, the OPZZ should, above all, undertake an effective struggle against the rapid and sometimes even galloping increases in the cost of farming and farm machinery and implements. At present the level of food prices hinges to a greater degree on the prices of the means of production manufactured by industry for agriculture than on the production and economic situation in agriculture itself. Hence, priority should be given to freezing the rapidly and sharply rising prices of the means of agricultural production. Only then stable food prices can be considered. Thus, stable food prices cannot be demanded so long as the prices of everything needed to produce that food are being allowed to rise with impunity.

The same mistake has been made many times in the past. This has always culminated in a crisis, and not only in a food crisis at that. I think that workers shall understand this better were they to sit down with farmers and negotiate prices with them. Perhaps then consideration will be given to the the fundamental interrelationship linking the prices of means of production with procurement prices and food prices. Overlooking any of these factors means escapism from the economic reality.

[Question] That reality of which you are speaking also includes a huge wastage of the food produced with such difficulty, on the one hand, and wastage of outlays on shoddy means of agricultural production, on the other.

[Answer] The waste of food was to be prevented by the expansion of processing facilities, that is, of food industry. Unfortunately, although that necessity was acknowledged and resources were allocated for this purpose, the actual pace of construction of these facilities has been that of a snail. Similarly, the quality of the farm implements manufactured is not improving and the quantity of fertilizer manufactured is not increasing. As for crop protectants, they are not being provided on time, not even when they are imported.

Certain truths thus have to be repeated until the importance of agriculture in Poland is finally appreciated and the general perception recognizes that foreign exchange can be earned from, say, hogs and beets just as much as from raw materials valued throughout the world—and until we, who mostly derive from the countryside ourselves, cease to feel ashamed of it.

1386

Krosno PZPR Notes Worker Numbers in Membership

26000113c Rzeszow NOWINY in Polish
30 Oct 87 pp 1, 2

[Article by (a-r): "Workers in the Party"]

[Text] (Own information) At the end of September, the Krosno voivodship party organization had 24,885 members and candidates, which included 10,031 workers. Since January 1985, the number of workers in the party ranks grew by 640 members. The best results in work with non-members and in recruiting new party members were achieved by the Autosan SFA, KHS and Gamrat in Jaslo. However, there are also party organizations that have received only a few new members in recent years.

Yesterday's meeting of the Krosno Voivodship PZPR Committee's executive board was devoted to this very issue of evaluating the realization of the 26th Central Committee Plenum's resolution on strengthening the working-class character of the party.

As stated, much of the attention of party instances and organizations is centered on worker activity in trade unions, worker self-management and the socialist youth associations.

About 71.7 percent of places of employment in Krosno Voivodship have trade unions and blue-collar workers make up 68.6 percent of the total union membership. Some 757 employees involved in direct production work are participating in the activities of 92 self-management councils with a total of membership of 1348. The worker's councils contain 373 party members and candidates who often initiate actions that influence the economic results of their places of employment. For example, workers at KHS adopted a resolution to conserve energy and materials and to improve product quality.

One of the permanent practices of the POP's [primary party organizations] has been to hold open meetings. Workers have ever-greater access to various forms of cultural and educational life. The region has an active Association of Worker Artists which has organized numerous exhibitions, poetry readings and writer's meetings.

The meeting also stressed that further endeavors are needed to strengthen the blue-collar character of the POP's and increase worker influence on the party's programs and the realization of party policy.

12261

Bydgoszcz Defense Committee Meeting Reported
26000113b Bydgoszcz GAZETA POMORSKA in Polish
29 Oct 87 p 2

[Article by [Jar.]: "In the Assessment of the Bydgoszcz Defense Committee—The State of Public Order and Security—Preparations for the National Referendum—Protection of Property, Fire Prevention and Job Certification"]

[Text] Under Bydgoszcz Voivod Stanislaw Kubczak, the Bydgoszcz Voivodship Defense Committee reviewed the state of public order and security and preparations for the national referendum and received recommendations drawn from an audit of 53 regional organs of government and their subordinate enterprises. Brigadier General Jozef Kozdra, the director of the voivodship's internal affairs bureau, assessed the social and political situation in the voivodship over the last 9 months with special emphasis on the public reaction to the second stage of economic reform and the rate of crime. Over this period, 7160 criminal investigations were made, 2937 persons were indicted and 856 were arrested. There were considerable property losses amounting to a value of 342 million zlotys, 67 million of which were recovered. There was a drop in the rate of violent crime but an increase of property and automobile thefts and break-ins.

Voivodship PZPR Committee Secretary Jan Strucharski discussed tasks connected with the upcoming national referendum. The voivodship will be organized into 648 voting precincts and on 14-21 November, voter lists can be checked.

There was a favorable review of organizations responsible for civil defense, fire-prevention, protection of property and job certification. In comparison to past years, there has been a considerable improvement in the flow of equipment and personnel into factories. Meanwhile, fire prevention in all but 4 units was favorably assessed. All construction, communal and agricultural enterprises founded by the Bydgoszcz voivod formed plant commissions and provided training for job certification. At the present time, job norms are being reviewed and an inventory of jobs is being conducted.

The conclusions drawn at this meeting included recommendations to accelerate preparatory work so as to produce first results by June 1988 and to broaden the plan for the economic education of workers. It was stated that certain ministries and central institutions have been very slow to pass instructions on to their regional offices and that this is a failure to follow the instructions of the National Defense Committee.

12261

Free University Society Meeting
26000112f Warsaw TRYBUNA LUDU in Polish
19 Nov 87 p 5

[Unattributed article: "Meeting of the Free Polish University Society"]

[Text] Under the slogan, "True to student tradition, we are taking up the challenge of the future", a discussion meeting of members and supporters of the Free Polish University Society from Warsaw and several voivodships met in Warsaw on 18 November to talk about current changes in Poland.

The meeting was also attended by Zdzislaw Sadowski, a society member and vice-chairman of the Council of Ministers. The basis for the ensuing discussion was a speech by the chairman of the Warsaw chapter, Professor Zbigniew T. Wierzbicki, and Professor Aleksander Legatowicz, a society member and a member of the Council of State.

Other speakers at the meeting were Kazimierz Studen-towicz, Andrzej Grzegorzczak, Stanislaw Ostrowski, Marian Pionk, Aleksander Hulek and Zdzislawa Filipowska.

12261

ROMANIA

Hunger, Corruption Drive Ethnic German Emigration

High Price, Short Supply of Food
23000045 Bonn RHEINISCHER MERKUR/CHRIST
UND WELT in German 1 Jan 88 p 26

[Article by Hans Schiemann: "A People Suffering in Silence"]

[Text] The small woman has slid forward to the edge of her chair, as if she did not want to incur displeasure by abusing the right to sit comfortably. She sits stiff-backed, drained, with a forced smile, downcast eyes. Romanian attitude toward authority. The thin hands of the woman in her mid-fifties clasp her leather purse as if to defend their last possession. I asked her a question, a very simple question only: "When was the last time you ate meat?" This pierces her soul like a barb. She is breathing heavily. Tears and answer pour out of her at the same time: "Oh, don't ask! Please..."

She grasps her light brown fur coat, runs out of the room—away from the tormenting past. She has just crossed the border in an overcrowded train, a German from the Banat. Ever more people want to get out of Romania now. They are fleeing hunger. Until just now, the woman had been standing in line on this bitterly cold December morning with a hundred adults and a dozen

children at the transit office for resettlers in Nuremberg. Without complaint. The Romanians have achieved a sad world championship in standing in queues.

As Nice as During the War: Great Misery Breeds Humor

Now they are hoping anxiously, in the overly praised Promised Land, that the narrow glass door would finally be opened for the officially required visit to offices and physicians. Three or four suitcases still stand against the whitewashed concrete wall, looking lost in the company of tightly stuffed plastic bags. Fragile seams hold possessions together.

Beef? "We haven't seen any in a long time," says one who wants to be addressed as "Mr N." And why endanger relatives: No one here wants to tell me his name, nor the town from which he comes. "You must understand that. If the Romanian [bureaucratic] apparatus reads our names, those at home will be put under terrible pressure!" Gristly pigs' feet, bones, watery sausages can be bought; quality [meat] is exported. Bacon lard makes a slightly rancid-tasting bread spread, goes well with the doughy bread. Lard and salt sprinkled on—that is eaten day in, day out, and if one happens to get some better fat or sticky-sweet jam, what a lucky happenstance.

Need breeds belly-twisting humor: "Now, if we had something to eat, it would be as nice as during the war!" The daily ration of half a pound of bread (250 grams) per person one receives by showing one's ID card, but only where one is registered; in many places one needs a ration card. Cheese products, says Mr. N., he has not had for a very long time. Butter was last given out before Easter and before 23 August, the Romanian national day. With that, Nicolae Ceausescu, 69, the "favorite son of the people," wooed once more for the favor of 23 million. For New Year's, the "hero among heroes" intends to part with some good butter.

At the moment, canned stewed fruit is available, and mustard, vinegar and salt. A [loaf of] bread costs 5 lei, 1 kilogram of meat between 35 and 70 lei. Fruit and vegetables are not imported. In summer, early risers can manage to get hold of tomatoes and horseradish in the market. Cauliflower and celery are luxury vegetables.

"Thank God that we are in Germany now!" says retired Mr N. Even he is surprised: The food supply in the countryside is worse than in towns. Whoever leaves the waiting line in front of the Alimentara, the grocery store, arouses envy and distrust, since everybody knows everybody, and each peeks into the other's shopping bags. So many drown their naked misery in "Tuica" plum brandy, the national Romanian drink. "Oh yes, shops are full of that," says the emigrant, shaking his gray head. "Our genius of a strategist must distract the hungry people somehow."

Genuine coffee—in addition to Kent cigarettes—is the real secret currency in the inflationary socialist paradise: one kilogram of coffee beans costs up to 1,200 lei, that is DM150. That is almost half of an average monthly salary. The income of about 2,500 lei is reduced if one receives state child support, so that one does not go over a certain income limit.

No cup of coffee could be too hot; Mr and Mrs N.'s centrally heated tenement apartment was always chilly. Officially, 14 degrees Celsius room temperature is permitted. So they simply put a stove into the living room. But even with the additional burning of the annual ration of 500 kg of firewood per person, the couple could not overcome the bitter cold. They procured low-grade pinewood on the black market and funneled the tell-tale smoke out the window facing the back interior court. And again attacked the misery with gallows humor: "A human hand touches the radiator. Says the radiator: Man, are you warm!" It is especially hard on old people—those who cannot move around, can't stand in lines. Many die alone, freeze to death in their apartments when the room temperature drops to 3 or 4 degrees Celsius and the condensation water turns to ice on the bare concrete wall.

Pedestrians wander on pot-holed roads by candlelight, a cardboard shield offers protection against the wind. Street lights remain dark. It is as dark as before an air raid. For supper time one is ready with a candle, because the great Conducator [leader] has the electricity turned off as of 7 p.m. The flickering light penetrates dark thoughts—of a small haul on the black market, the bribe money for corrupt officials. "That is getting ever worse!" sighs a 33-year-old man from the Banat. The bigwigs have large paws.

"During the last 5 years, I haven't had 10 slices of bread with butter," says the man. His aunt had sent him many packages from the FRG. "Two or three days—then everything was eaten up!" Packages from Germany sometimes take 4 months to arrive, and some food is already spoiled. Whatever is above the maximum amount decreed by the state is confiscated by the customs office. Or else the recipients are told to send back the excess amounts, or to have them destroyed. Nonetheless, help from the West is highly welcome. Duty-prepaid packages are considered absolutely safe.

In jail, the bachelor lost much weight: They locked him up for 7 months because he had tried to get across the Yugoslav frontier illegally. After that he was back at his lathe as if nothing had happened. The brown furlined jacket, corduroy pants, low leather boots—he appears well-dressed. "If you know a salesman, you bribe him," says he. For 10 eggs, for a pound of real coffee one gets the better coat. A good suit costs about 2,000 lei in bribe money—that is DM250—, a leather jacket takes a bribe of 2,500 lei, a cheap sweater 400, and leather shoes 400.

He has worked for 12 years, by now he is entitled to 17 days of vacation. Some day this would have risen to 24 days at most. What does a Romanian do in his free time? "Stand in queues," he says bitterly. And listen to the radio: the Saarland and Bavarian broadcasts, the German radio network [Deutsche Welle], and Radio Free Europe above all. There he also listened to reports about the workers' uprising in Kronstadt in November, "but very quietly, because the secret police have big ears."

Bonn Pays Head Money to the Great Conductor

In the FRG he will pay DM280 to Ceausescu's greedy servants in order to rid himself of his Romanian citizenship and, gratis, he will gain German citizenship. His dreams have a definite shape: he will get his driver's license, own a car like a German. And he definitely wants to drive to Romania on vacation. Is it perhaps the urge to play the man of the world before his countrymen, to show off proudly what one has acquired in the Golden West, even if the big car is only borrowed? "They should all come here," he invites his countrymen, "if there is enough room!"

Most of the Germans from Romania pushing into the FRG are legally resettled, if Bonn pays head money: the general secretary demands DM8,000 for each of them. As ethnic Germans, Swabians from the Banat and Sathmar, Saxons from Transylvania, a total of 220,000 people,—as expellees and refugees which they are in the legal sense—, have a greater claim than Romanians to a West German passport.

This year, there were 15,000 legal resettlers. Ever more illegals choose the soft route via a temporary exit visa, paid for with bribe money to the local authorities (and then stay on in the FRG), or they risk their necks getting across a dry or wet border. And sometimes an agent is infiltrated—and occasionally is unmasked.

A family from a village in the Banat had had 4,000 square meters as a garden with potatoes and corn and fruit trees, where 50 chickens scratched the ground. And they also had a pig; the six adults managed to scrape along. Milk and cream they got from a neighbor, they churned the butter themselves. Soap was also made at home. Germans gave to Germans, they stuck together. What they lacked they procured in Temeschburg, a town of 320,000 inhabitants, on the black market over which the Yugoslavs have tight control. The police looked on, or joined in the deals. Everyone complains about the rotten politics, but never on the street. The word is to keep one's mouth shut: a people suffering in silence.

In one of the four rooms of their own house lay the grandfather, recuperating from a hernia operation. The professor had done a good job—for a goose and real coffee. Grandpa had been lucky; many an operated person had to die because the electricity went off suddenly. None of the hospitals have diesel oil for the

emergency generator. Physicians who protest are transferred, as are those who prescribe too many of the all too scarce medicines. So they keep quiet and hold out their hands: for cigarettes, a full canister of gasoline, for meat, detergents, and cash. For delivering a baby, 1,000 Lei are paid in advance, that is obligatory. And whoever needs the emergency physician is asked how old he is. The doctor comes quickly to young people, and sometimes not at all to a 50-year old.

The mouths of the two girls in the "Zeppelinfeld" canteen, across from the housing silos of the transit office, are smeared with chocolate. The parents, also, treated themselves: the first German coffee, hot and black! And they ordered rolled beef and gnawed the wooden skewer clean. They had not kept a cow in a long time, and in the last 7 years, which is how long the exit application took, they had foregone keeping a pig. The state would have taken it away, anyway. In the village one could occasionally get fresh meat, but not without standing in line.

The children in their father's arms quietly enjoy their chocolate bliss. The mother hangs on to the plastic bags; she is laughing. It is the round face of a peasant woman. Did she ever have a lipstick and a powder compact in Romania, did she pretty herself up? "Ah," she says, "one can do without!" And anyway, in Romania, even now things are not quite as bad as they seem: the supply situation changes every day. Orders are issued one day, and overturned the next.

The most basic necessities are lacking. But luxury items, even good and expensive cosmetics, can be had at "Comturist," the state foreign currency shop for foreigners. Yet everything there crosses the counter only for foreign currency. A Romanian, however, who hoards foreign currency, is threatened by prison: one and a-half years for 5 DMarks. Whoever has checks sent to him from abroad, can shop there—half foreign and half Romanian goods. Anyone who illegally buys veal from a farmer gets 3 years in prison. But no one from the city goes to the country, there is nothing to be had there. But how many of the country people stream into the city in search of meat for the holidays! And then the strict militia controls the trunks of the returning cars, inspects buses and trains. The woman cites a common saying: "But all goes well if one has saints in heaven!"

Clever Ones Bypass Their Electric Meters

She and her husband were only allowed to consume 42 kilowatts of electricity per month for their 4-room apartment; in the country it is 29 kilowatts. Electric outlets are sealed off during winter. Clever Romanians trip up their meters, or draw current from the bulb socket. And again prison threatens: 2 years and a fine of 10,000 lei. In the country, one may fill the tank with 30 liters of gasoline per month; in the VIP metropolis of Bucharest, 45 liters of gasoline at 9 lei four times a month. Super gasoline makes the Dacia engine knock. The police computer

records the gas pumpings; if someone tanks up more often, he has to give up his driver's license and car registration, but he cannot cancel his car registration and must continue to pay car tax and insurance. From the first snowfall on, private traffic is forbidden. Buses and trains are dirty, cold, overcrowded, never on time.

No one must be pessimistic: Punctually at 8 p.m., Ceausescu comes into the living room in living color. At the beginning and the end of the broadcast, the small, morbidly ambitious man drags his people out of lethargy with self-praise. Beyond that, the Romanian TV set—costing up to 18,000 lei in addition to a 5,000 lei bribe—provides perhaps a harmless little film. Punctually at 10 p.m. the program shuts down. Video recorders are unaffordable: 35,000 lei.

So one goes to bed early—which is the general secretary's intention. He wants a numerous, proud people. Every Romanian woman is to bear four children. Abortions before the age of 45 are punished. It is being whispered that babies are shipped abroad, at \$3,000 a head. Resignation and fatalism have entered into a dangerous shotgun marriage in the socialist paradise. The frustration is expressed by a real Romanian with a shrug: "Ce se fac?"; what can be done?

80,000 Seek Exit Visas

23000045 Bonn RHEINISCHER MERKUR/CHRIST
UND WELT in German 24 Dec 87 p 1

[Article by Hanspeter Muss: "To the West Through Bribes"/ The Misery of Romanians of German Descent]

[Text] For 23 years the Romanian party chief Ceausescu has not tired of promising his people wonderful times, material prosperity and national greatness. His headstrong course after taking office in 1965 appealed to the Romanians and caused a stir in the West.

Romanians considered the country's political and economic tutelage by the Soviet Union the real cause of the desperate situation; the West saw in Ceausescu's national leadership style a noteworthy maneuver of detachment from Moscow. Reality after two decades is bitter: Ever greater sacrifices are demanded of the Romanians, while dependency on the Kremlin is again on the rise.

In this situation it must be difficult to speak of success and to believe in a great future, especially since one continues cheerfully to bank on the centralized socialist planned economy, which so far has shown so little success. The Romanians are assured of a 5 - 8 percent rise in the standard of living during the current 5-Year Plan—a promise which, as formerly, will probably show up in statistics only, while the population meantime grows visibly poorer. Their worries and needs were not a subject at the Party Congress. Not a word was said about the riots in Kronstadt, Temeswar and Bucharest, nor one about the country's supply difficulties.

Yet the uprising has been taking place for some time, and everywhere. For years now, all across the country farmers and workers have refused performance levels, and the intention to leave Romania is not at all limited to Romanians of German descent. Ever more Romanians are trying to get to the West.

For the first time it was also reported from Hungary that the flight of Romanian citizens to neighboring Hungary was on the increase. Some 6,000 had asked for admittance in Hungary in 1986. Of the 220,000 ethnic Germans in Romania still living in Transylvania and the Banat, 80,000 applied for exit visas, but the remaining ones also do not see their future in socialist Romania.

Preparing his latest visit to Romania, Foreign Minister Genscher had received the federal chairmen of the association of refugees of Banat Swabians and Transylvanian Saxons. They urged raising the present exit quota of about 12,000 Romanians of German descent per year in order to shorten the unbearably long waiting periods of the applicants who, because of their desire to emigrate, are subjected to numerous disadvantages in career and society. This seems all the more urgent since Ceausescu, at the latest "small Party Congress," has talked about a "luring away of technically qualified people" which is carried out "in the name of so-called human rights."

It can be assumed that the intention is to raise the compensatory payment which the FRG expends for every resettler from Romania. The German foreign minister showed himself open to discussion in this regard, and in the future one can probably count on higher quotas for higher head money. Up to now, DM8,000 were charged per resettler.

The Romanian practice of greasing palms, whereby those who privately double the "purchase price" receive preferential treatment by the passport authorities, probably cannot be stopped in future, either. Too many Romanians of German descent are waiting too impatiently for their emigration, and they heedlessly assume debts in the West if it means shortening their wait for emigration by several years.

It is known that the greasy-palm agents are active even in the FRG. At this time, the Bavarian Land Criminal Office is investigating the case of a former lawyer from Romania who, in 400 cases known so far, has been collecting amounts of DM2,000 to DM16,000 on the assurance that he would make it possible for Romanian citizens to emigrate or flee the country.

Unfortunately it is a sad certainty that there exist in the Romanian Kreis towns of Transylvania and the Banat collection centers for bribe money which are evidently tolerated, or even encouraged. Addresses and fees are

well-known to the interested parties; no special value is placed on covering anything up, since only what is known well enough, pays off. And that's what counts every time.

Ever since it became more difficult to get visitors' visas to Western countries, cash is also collected for visitors' visas—in hard currency. Need is transformed into a business where each pretends not to know anything about it. Everyone cheats everyone else, and that also holds true for the relationship between the state and its citizens.

Whether this is a result of the general desperate situation or vice versa remains unimportant as long as the Party keeps silent about it. For the Party, the economic disaster simply does not exist; rather, it is invented by the Western press. But the cold apartments, the dark cities and the queues in front of empty grocery stores cannot be wished away by Party edicts.

Ceausescu continues to stubbornly refuse the German offer to send assistance in goods—primarily food—for the suffering people. It would be tantamount to an admission of a failed economic policy, and the Conducator (leader) does not think of doing that.

Of course, this obstinacy does not solve the problems. For a long time now, one can no longer just speak of supply bottlenecks, and it is not only luxury goods that are absent in the stores. There is a lack of the bare necessities. The state is no longer capable of supplying the population with basic foods—and probably for a long time to come.

Particularly afflicted are the old and sick who need special diets, but are neither able to stand in the long lines in front of grocery stores nor have the financial means to deal in the black market. But even normal citizens find it more and more difficult to procure even some of the daily necessities. To demand of them patriotic devotion in the form of additional shift work and special levies must lead to the opposite—as recent events have shown.

However, sending packages to Romania has by no means been thwarted by the refusal to accept state-organized assistance. It is a proven political characteristic of the Romanians not to block what is not allowed [as published]. The sending of private packages is still permitted, and meanwhile ways and means have been found to develop significant activity.

The relief organizations of the refugee associations as well as church organizations and other collection centers have built up a well-functioning distribution network with whose help standard duty-prepaid packages are sent primarily to Romanians of German descent. For high customs and postal fees in hard currency (they amount to about 70 percent of the actual value), Romania takes on package shipments and delivers them reliably.

Since the call for donations in Germany does not fall on deaf ears, the relief organizations are in a position to distribute widely. Land Wuertemberg-Baden alone has recently made DM300,000 available for shipment of packages to Romania; many West German families sponsor Romanian families of German descent and thus provide continuous help.

9917

POLAND

Army Seminar on Philosophical Training

26000162b Warsaw *ZOLNIERZ WOLNOSCI* in Polish
11 Feb 88 p 7

[Summary] A symposium on "Philosophical Training in Army Education" was held at the Army Political Academy, organized by the Department of Army Schools and Academies of the Main Political Directorate of the Polish Armed Forces and by the Army Political Academy. The participants of the symposium were officers

responsible for philosophical ["swiatopoglad" or world-view] training as well as philosophy lecturers of officers' schools, training centers and military high schools. Eighteen papers and reports were delivered, including such topics as psychological conditioning and the state of religiosity in Poland in light of Catholicism in the world. The manner in which the military press dealt with philosophical issues during 1985-87 was analyzed. Based on the frequency of such reporting, it was determined that *ZOLNIERZ WOLNOSCI* in particular attaches much importance to the dissemination of philosophical issues.

INTRABLOC

GDR Role in CEMA Joint Industrial Policy Examined

23000042a West Berlin DIW VIERTELJAHRSCHEFT
ZUR WIRTSCHAFTSFORSCHUNG in German No 1/2,
1987 pp 80-90

[Report by Heinrich Machowski to the Twentieth GDR Research Conference, held in Bonn-Roettgen, 9-12 June 1987]

[Text]

I. Introduction

The following study is divided in two main section. In the first we describe our attempt to investigate the role of GDR industry in the supranational industrial policy conducted in the CEMA region. We had compiled the—admittedly sparse—data on this integrated East European region and evaluated them in accordance with the joint industrial aims of the CEMA countries. We did not supplied an answer to the question logically arising therefrom as to the discernible effects of industrial agreements within CEMA on the GDR's own structural policy.

In the second main section we speculate on the future evolution of CEMA integration. Here we emphasize the evident differences of opinion between the political leaders in Moscow and East Berlin.

In order to provide a base for the entire study, we initially offer a brief overview of the GDR's status in the East European economic community.

II. The GDR's Status in CEMA

The GDR considers the importance of its ties to the Soviet Union and its membership in the "socialist community of states" to rank with the constitution. This is probably not entirely due to Soviet domination, though cooperation and the cohesion of the East European countries in the Warsaw Pact and CEMA have always represented a political necessity for the USSR. As far as the GDR's political leadership elite is concerned, the Soviet Union not only looks after external security, it also guarantees the exercise of power at home—consequently the USSR acts as the protective power both in external and internal affairs. The GDR's political leaders have always striven to translate the country's economic strength into political influence within the community. They needed it, for example, to justify to their partners the continuing special status of inner-German trade. The so-called state foreign trade and foreign exchange monopoly helps the GDR to carry on this and other political functions of foreign trade. Within the framework of this monopoly, the country's entire foreign trade operations (commodity, services and capital transactions) are subject to the strict supervision of the topmost party and government organs. In view of the fact that the country's membership in CEMA is a given for the political

leaders, no published opinion in the GDR has dared to deal in any critical manner with the benefits and costs of such membership. However, even in the GDR some people have pointed out that the costs and benefits of supranational cooperation in CEMA cannot be accurately calculated due to the lack of exchange and price political prerequisites.¹ Even by East European criteria, the GDR's published foreign trade statistics are so thin on the ground that any attempted critical evaluation by outsiders is bound to yield only unsatisfactory results. Another aggravating factor is the lack—in the East as well as the West—of any practical and useful theoretical basis for more or less accurately measuring the positive and negative effects of supranational economic integration on the national economies involved.

Judging by the estimate of its total economic performance, the GDR is currently the second largest national economy in CEMA—albeit very farbehind the USSR, the commanding economic power of the East European community—(see appendix Table 1.) In 1983, the just about 13 million GDR Germans produced a greater output than the 37 million Poles. Measured by the per capita gross domestic product, the GDR's total economic productivity in that year exceeded that of Poland by more than 134 percent, (though this figure also reflects the—largely home made—economic crisis of 1979-1982, that Poland has as yet been unable to resolve). In CEMA, the GDR is altogether the country with the highest economic performance standard (and, consequently, the country with the highest individual standard of living). Its 1983 productivity standard was twice that of the average in CEMA. The GDR economy outdid Soviet productivity by 80 percent. If we continue on these lines, GDR per capita performance, on the other hand, is currently only 50 percent of the FRG's, and this gap has not narrowed since 1970—a finding that is highly instructive for this German-German comparison.²

These background facts explain the GDR's relatively strong position in the reciprocal commodity transactions of the CEMA countries. The GDR's share in intra-CEMA exports amounted to 14 percent in 1985, compared with as many as 17.5 percent in 1970 (this relative decline was due mainly to the price related rise in the Soviet share from 36 percent to 38.5 percent). The following figures for 1982 document the GDR economy's strengths and weaknesses as supplier on the CEMA market (percentages of GDR exports in the exchange of commodities among the European CEMA countries):

Total Exports	13.6
including:	
Machines, Equipment, Means of Transportation	22.1
Fuel, Mineral Raw Materials, Metals	3.5
Other Industrial Raw Materials, Construction Materials	12.4
Chemical Products, Fertilizers, Rubber	23.9

Agricultural Raw Materials, Essential and Nonessential Foods, Livestock	2.3
Industrial Consumer Goods	20.0
Miscellaneous Commodities	3.3

The GDR, with more than 22 percent, was the major supplier of machinery for the community (ahead of the USSR with 20 percent,) and with 20 percent the major supplier of consumer goods (ahead of the CSSR with 19 percent).

The GDR is the most important foreign trade partner for the Soviet economy and, as a rule, occupies second place behind the Soviet Union in the ranking of foreign trade partners for the other European CEMA economies:

CEMA in turn represents the GDR's most important foreign trade market by far. The GDR always transacts more than 60 percent of its foreign trade with these countries. The Soviet Union has been its biggest customer and supplier of commodities, and this state of affairs will not change in future. Next on the list of the most important supplier and customer countries is inner-German trade, followed by the other CEMA countries.

If we consider the commodity make-up of the GDR's CEMA trade, we note that the GDR is particularly closely interlinked with the CEMA market as regards the export of machines, plant and means of transportation: In 1970 79.5 of the country's total exports of these goods were sold on that market, and this share had risen by roughly 7 points to 86.5 percent by 1984. The export potential of the GDR's capital goods industry, therefore, is largely prompted by deliveries to the CEMA market. At the same time 80.5 percent of total 1984 GDR imports of this commodity heading originated with the CEMA countries (1970: 77.5 percent). It is very much to be doubted whether these capital goods imports always correspond to the GDR economy's demands on quality. In addition, the GDR meets roughly 75 percent⁶ of its import needs for fuel, mineral raw materials and metals by purchases from the CEMA countries, primarily the USSR.

III. International Industrial Policy in CEMA

1. State of Affairs and Place Value

A common industrial policy is one of the areas of policy designed largely to help decide the future evolution of CEMA. Admittedly, CEMA terminology describes this process as the "specialization and cooperation of production" (acronym PSK used hereafter). Subsumed in this term are two factors: The manufacture of finished products in one country or several countries ("international concentration") and production cooperation between enterprises in two or more countries ("international coproduction"). In other words: Specialization

refers to the international division of the manufacture of finished products, cooperation to the coproduction of components and parts.³ The intensity of intertwining is far greater in the second case. In theory both offer cost benefits: If the output of a commodity is concentrated in one country or only a few, R and D efforts will also be concentrated and the benefits of large-scale industrial production realized. In both cases, therefore, it is the aim of this type of the international division of labor "to shorten the entire cycle of reproduction, bring down the cost of production, improve product quality and achieve demand appropriate manufacture and supplies."⁴ Still, the benefits of PSK also involve some disadvantages: The supplier of specialized products obtains monopoly status. He is in a position of strength on the occasion of price negotiations, and his interest in innovation is not stimulated by the pressure of competition. However, in view of the fact that—ever since 1945—the CEMA national economies have been predominantly interested in rapid industrialization, these disadvantages are not as yet considered too important.

The graphics in the appendix provide information about the status of PSK in the various integration policies in CEMA. According to these tables, the PSK agreements are designed, on the one hand, to give concrete form to the five so-called long-term target programs (through 1990 and beyond) of the CEMA countries (raw materials and fuel, machine construction, agriculture, consumer goods and transportation) as well as to the bilateral programs for specialization and cooperation. The latter were concluded in recent years between the Soviet Union and the six European CEMA countries and are also set to run through 2000 (the USSR and the GDR signed their program in October 1984). On the other hand, the PSK agreements are also part of the plan coordination rounds and the 5-year and annual international trade agreements of the CEMA countries.

It is evident, moreover, that CEMA differentiates between bilateral and multilateral PSK. In the first case, the international government commissions (such as the equal government commission for economic and scientific-technical cooperation between the GDR and the USSR) are the bodies responsible. We do not know whether and to what extent CEMA organs are also involved, for example by making data available, but such involvement is likely. On the other hand, CEMA organs as well as the international organizations of the CEMA countries definitely participate in the negotiations about multilateral PSK agreements, of course within the framework of their competence.

The legal framework for the PSK is provided by either international agreements (government agreements, ministerial agreements) or international economic contracts (between economic organizations in the CEMA countries).⁵

According to Kemper,⁶ the following are the main elements in the bilateral and multilateral specialization and cooperation agreements:

- Abandonment or expansion of manufacture,
- Guarantee of delivery or purchase by the economic organizations of the partner countries,
- Prohibiting economic organizations in the partner countries to market the respective product on third markets.

Both types of agreements ultimately result in international trade obligations. In other words, PSK trade is subject to the same legal regulations as CEMA intra-Bloc trade as a whole. The realization of PSK agreements—however arrived at—proceeds exclusively by way of bilateral 5-year trader agreements and annual protocols on the exchange of commodities and therefore remains entirely subject to the control of the governments of the member countries.

2. Development and Status in CEMA

According to the data published by the CEMA secretariat (see Table 2, Appendix), the 1985 volume of reciprocal deliveries of PSK products by the member countries was valued at just about 20 billion transferable rubles (TRbl). That corresponded to a 21.6 percent share in total intra-CEMA exports (1984: 21 percent, 1980: 18 percent); Read at prevailing prices, the relative weight of specialized exports therefore noticeably increased in the first half of this decade (1985 plan: 20.5 percent). Prominent items in these exports were, in particular, products of machine construction (in the very wide definition adopted by CEMA statistics, that is including vehicle construction, electrical engineering/electronics, precision engineering and optics, and so on), though the share of these items declined slightly in the period under review, mainly to the benefit of chemicals (percentage figures):

	1980	1984	1985
Machine Construction	84.6	83.2	82.5
Chemicals	10.5	11.7	12.2
Miscellaneous Industries	4.9	5.1	5.3

The last known share of specialized deliveries in total reciprocal machine exports of the CEMA countries amounted to 40 percent, compared with 42.5 percent (1984) and 33 percent (1980). Following the bilateral trade agreements for the last 5-year plan period, though, the 1985 rate ought to have been 45 percent.

Particularly interesting in this context is the regional interlinkage of the CEMA countries in PSK trade. Tables 1 and 2 of the Appendix yield the following conclusions for 1985:

—The GDR is by far the most important PSK supplier for the community. Its share was 25.5 percent, followed by the CSSR with 17 percent (these are the two highly industrialized nations in CEMA). The shares of the two leading countries were even greater with regard to the exports for specialized machines at 27.5 percent (GDR) and 18.5 percent (CSSR).

—With a share in excess of 65 percent (68.5 percent for machines), the USSR was the community's biggest PSK customer, well ahead of all other member countries (it seems that the Soviet Union uses PSK agreements—in addition to its raw material and energy deliveries—as still another tool for more tightly binding the other CEMA economies to its own).

—It follows logically that PSK trade among the smaller CEMA countries is negligible.

—The Soviet Union was the only country to record an import surplus in PSK trade (more than 9.5 billion TRbl). All other member countries achieved an export surplus, the GDR at their head with more than 3 billion TRbl. On the other hand, the Soviet economy is CEMA's "specialized" supplier of energy and raw materials; in this trade it achieved a more than 21 billion TRbl export surplus in 1985.

Two more observations seem indicated: On the one hand, Bulgaria—in third place for PSK deliveries—is particularly involved in these industrial agreements. Poland (together with Romania), on the other hand, has the lowest rate of interlinkage and, due to the crisis at the beginning of this decade, lost a great deal of ground (in 1980, Poland accounted for more than 12 percent of total PSK machinery exports, in 1985 for only 7.5 percent).

3. Development and Status in the GDR

According to the "Statistische Jahrbuch der DDR" [GDR Statistical Yearbook], 1985 GDR exports of PSK products had a value of just about 23 billion VM [valuta mark] (= 4.9 billion TRbl), in other words just about 40 percent of the country's total exports to the CEMA region (see Table 4, Appendix). Specialized products accounted for half the exports to the Soviet Union but only for a quarter of those to the smaller CEMA countries. PSK exports rose faster in 1981-1985 than total CEMA exports. At the present time, GDR industry appears specially firmly tied to this type of CEMA cooperation (GDR shares as percentages):

	1980	1985
Total Intra-CEMA Exports	14.5	13.6
Intra-CEMA Exports of Specialized Products	28.6	25.4
Extent of PSK Interlinkage ⁷	1.97	1.87

No data on GDR imports of PSK products are published in the Statistical Yearbooks. However, it is possible to estimate the volume for 1983. According to Tschanter, the share of specialized products in that year's GDR foreign trade turnover with the CEMA countries amounted to 28 percent.⁸ Provided this rate is compatible with the other known figures relating to GDR foreign trade, we can therefore calculate the turnover of specialized products to have amounted to 28.1 billion VM. Deducting exports in the value of 22.3 billion VM, we get an import figure of 5.8 billion VM. This means that the GDR achieved a 1983 export surplus in PSK trade of 16.5 billion VM, while its total trade balance with the CEMA countries yielded a 3.5 billion VM surplus. According to the data reported by the CEMA secretariat, the GDR imported specialized products to the value of 7 billion VM in 1985, yielding an export surplus in the country's PSK trade of more than 16 billion VM.

The Soviet market is particularly important for GDR exports from the regional aspect. In 1975, 85 percent of the GDR's total exports were sold to the USSR. This share temporarily declined but started to rise again in 1980 and lately amounted to more than 75 percent (see Table 4, Appendix).

GDR machine construction is preeminent in the context of CEMA specialization. The following figures also provide an indirect indication of the commodity structure of these PSK exports. The following rates applied to GDR machine construction in 1985:

	a)	b)	c)
Total Machine Construction	27.3	1.	-
Metal Processing Plant	55.2	1..	85.1
Tractors, Farm Machinery	39.3	1.	60.9
Equipment for Chemicals, Wood Processing and Construction	33.5	1	50.0
Food Industry Equipment	27.3	2.	47.4
Mining, Metallurgical and Oil Equipment	26.7	2.	44.9
Means of Transportation	24.3	2.	60.0
Equipment for the Energy Industry and			
Electrical Engineering	21.2	2.	30.4
Lifting and Handling Equipment	20.2	2.	57.4

a) The GDR's percentage of total CEMA machine exports b) The GDR's ranking among CEMA supplier countries c) The percentage of PSK products in the GDR's total deliveries to CEMA

4. Significance and Outlook

The still unresolved methodological approach on the one hand and the extremely rudimentary and dubious data on the other represent a major problem with regard to the evaluation of PSK agreements. From the methodological aspect we still do not know how to quantify international specialization effects as such. As for the data base, we are not at all sure about the manner of the collection of statistical material in CEMA. In view of these facts, it is impossible to provide any accurate and empirically tested statements on the economic significance of PSK agreements on the GDR economy (or any other CEMA economy). We are therefore able only to submit some hypotheses:

—The explosive growth in GDR deliveries of specialized products to the Soviet Union in the first half of the 1970's (see Table 4 indicates that it cannot possibly be due to the utilization of new export capacities and opportunities. Indeed, it appears likely that traditional export commodities were gradually subsumed under bilateral PSK agreements. Consequently, PSK agreements have not really speeded up the GDR's CEMA trade.

—In principle, though, these agreements may well have the effect of encouraging trade. Sales guarantees accompanied by the abandonment of production and delivery obligations resulting in the expansion of production may certainly intensify cooperation between the parties to the agreement or at least give them a more stable foundation. Moreover, PSK agreements raise the "political" rather than legal obligation for the exporter to provide punctual and quality appropriate performances, because the contract penalties imposed for PSK transactions (as well as all other export transactions) usually cover only a fraction of the damage actually suffered. The emphasis on the "political" duty to observe contract loyalty may also explain the Soviet Union's specially intensive involvement in PSK trade.

The trade encouraging contribution of the PSK's is counteracted by the fear of GDR authorities and those in the other CEMA countries with regard to delayed and quality deficient deliveries as well as to hitches in the supply of replacement parts.⁹ Following the loss of Polish cooperation deliveries in the early 1980's, these fears became even more acute. Up to the present time, PSK agreements—with few exceptions—have never been the result of international industrial planning. On the contrary: They have definitely cast in concrete the traditional production structures in the member countries and consequently made them obligatory. Bogomolov, director of the Mosciw Institute for the International Socialist Economic System, estimates at 90 percent the

PSK products exported within CEMA on the basis of this traditional distribution of production.¹⁰ Hardly any manufacture has been abandoned as the result of PSK agreements. The few exceptions were either politically or economically motivated, for example the abandonment of aircraft construction by the GDR and shipbuilding by Hungary or the cut in the product ranges of roller bearings. The strategy of industrialization, pursued in all CEMA countries, represents the main reason for the still prevailing reluctance of these countries to coordinate their industrial policies. Due to this strategy, nationally oriented, comprehensive and as many as possible industries enjoy undisputed priority at the expense of international production specialization.

The benefits of specialization in the meaning of conscious planning to avoid parallel efforts and institute large-scale production are used by CEMA (and very hesitantly at that) only for the development of new products or manufacturing processes. Any international industrial policy of the CEMA countries is therefore still in its infancy. Morgenstern was quite right to point out that "international socialist division of labor and cooperation per se is not the goal," but that it is rather a "method for raising social labor productivity, increasing social wealth in all socialist countries."¹¹ "Economic efficiency coupled with the guarantee of reciprocal benefits"¹² must always be the prime criterion for international specialization in CEMA. This criterion, he said, applies not only to the future development of the PSK's. It must also serve as the yardstick in any critical review of existing cooperation relations—a review that, in the case of negative results, may result in the abrogation of existing cooperation contracts.

The PSK's speedier evolution in this direction does more than presume the corresponding political will among the leaders of the CEMA countries. The appropriate economic prerequisites also would need to be created first of all: The gradual abandonment of structural bilateralism in reciprocal trade; the adjustment of the differences in the national economic systems¹³; the convertibility of the national currencies at least within CEMA.¹⁴

IV. The Future Development of CEMA Integration

It is as yet uncertain whether cooperation among the CEMA national economies will develop in that direction. For some years now, the improvement of the integration mechanism has been the object of intensive and controversial discussion in political Eastern Europe. It began with the "Complex Program for the Scientific-Technological Progress of the CEMA Member Countries Through 2000," adopted by CEMA in December 1985.¹⁵ It provides for the following five development "orientations": the general application of electronics in the national economy, the automation of mass production (including flexible production systems), nuclear energy, new materials and the equipment for their production and processing, and biotechnology.

The "special nature" of these programs is to consist in the intention of involving the entire innovation cycle, from research to the large-scale adoption of tested research results by production. According to Marchuk, chairman of the Soviet State Committee for Science and Technology, basic research was accorded priority in order to create the "headstart" for the improvement of overall economic efficiency.

In his February 1986 speech at the Twenty-Seventh CPSU Party Congress, Gorbachev listed the preconditions for the successful implementation of the program: "In our view, changes are also required in the operation of the general staff for socialist integration—the Council for Economic Mutual Aid. The principal need is for greater attention to economic levers, initiative, socialist entrepreneurial spirit and the involvement of worker collectives in this process rather than emphasis on administration, various committees and commissions."¹⁶ In fact actual developments are proceeding in exactly the opposite direction:

1. New permanent CEMA commissions were set up for cooperation with regard to new materials and equipment as well as to biotechnology.

2. The Permanent CEMA Commission on Machine Construction was upgraded to a CEMA committee.

3. Nothing indicates that the integration mechanism in CEMA may be improved by financial and monetary tools (hitherto completely neglected). On the contrary: Just as the USSR always did, the smaller CEMA countries will do everything possible to maintain the present nature of CEMA cooperation, because it guarantees the priority of national interests over community interests whenever the two conflict.

4. Technology policy in the USSR itself emphasizes the central (in other words bureaucratic) encouragement of supra-enterprise and supraregional programs and institutions, and it still does far too little to overcome the enterprises' system-inherent inertia with regard to innovation. However, Gorbachev is persisting. Lately he said in Bucharest that "as the result of the agreement achieved at the working conference of leading representatives of the fraternal parties last year, we set course for the comprehensive intensification of the integration process, the conversion of cooperation of primarily economic methods, the establishment of direct production relations and the creation of joint enterprises and science-production associations. It was considered appropriate to seriously improve the work of the Council for Economic Mutual Aid."¹⁷

This contrasts with the following Honecker dictum: "We are convinced that the system of economic management and planning in the GDR offers every prerequisite for developing a successful and direct cooperation between combines, enterprises and scientific institutions, carried out on a contractual basis for the accomplishment of the

tasks arising from the complex program. It will now be necessary to ensure the rapid utilization of results in the production of our countries."¹⁸

The persistent defects of CEMA cooperation were sharply criticized at the 42d Annual Meeting of CEMA (Bucharest, 3-5 November 1986): Delivery dates and quantities fail to be observed, the technical quality of the products exchanged is unsatisfactory, Soviet clearing prices for energy and raw materials are too high, the transferable ruble has a merely passive role, formal and bureaucratic elements predominate in CEMA. This general dissatisfaction may have been the reason why a so-called working conference of the CEMA countries' party chiefs met in Moscow on 10 and 11 November 1986 (cited by Gorbachev in Bucharest). At this conference, where Gorbachev made sure of the other party leaders' agreement to his Reykjavik initiatives, the future of CEMA integration was also discussed. Nothing has been published about the agenda and results of this discussion. Casual and informal reports from Warsaw, Budapest and East Berlin merely allow us to indulge in some speculation: At this conference an unbridgeable

chasm opened between Gorbachev and Jaruzelski on the one side and all other participants, led by Kadar and Honecker, on the other. The meeting ended without any agreement and simply appointed a group of experts supposed to draft a reform program for CEMA.

At the Third SED CC Plenum (20-21 November 1986), Honecker described the Moscow summit as a discussion of "quite historical and fundamental import" with regard to general cooperation. However, he added that this cooperation was proceeding "on the basis of the principles of equality, independence, sovereignty and responsibility toward our own peoples."¹⁹ This latter principle is obviously designed to guarantee the observance of national interests in the face of Soviet pressure for integration.²⁰

Set against this background, the future evolution of CEMA is uncertain. Words and deeds have never been so far apart as at present. It remains to be seen whether Gorbachev is really serious about the abolition of the Brezhnev doctrine. He indicated as much in his speech to the Twenty-Seventh CPSU Congress.

Percentage (%) and Ranking (R) of the GDR in the Foreign Trade of the CEMA Countries 1970-1985

	1970		1980		1984		1985	
	%	R	%	R	%	R	%	R
Exports								
Bulgaria	8.6	2	5.5	2	5.2	2	5.2	2
CSSR	12.0	2	9.3	2	8.8	2	9.2	2
Poland	9.3	2	6.9	4	6.1	3	6.9	3
Romania	5.7	5	5.8	3	5.7	5	5.7	5
Hungary	9.7	2	8.6	2	8.3	2	8.2	2
CEMA (5)	9.4	-	7.4	-	7.0	-	7.2	-
USSR	15.1	1	9.8	1	10.1	1	10.6	1
CEMA (6)	12.2	-	8.8	-	8.7	-	9.0	-
Imports								
Bulgaria	8.7	2	6.6	2	5.6	2	5.3	2
CSSR	12.1	2	10.4	2	10.4	2	9.5	2
Poland	11.1	2	6.6	3	8.0	2	7.9	2
Romania	5.9	4	4.5	5	6.9	3	6.9	2
Hungary	10.5	2	9.0	2	8.9	2	8.9	2
CEMA (5)	10.1	-	7.5	-	8.2	-	7.9	-
USSR	14.7	1	9.7	1	11.3	1	10.9	1
CEMA (6)	12.3	-	8.6	-	9.9	-	9.5	-

Percentage (%) and Ranking (R) of the CEMA Countries in the Foreign Trade of the GDR 1970-1985

	1970		1980		1984		1985	
	%	R	%	R	%	R	%	R
Exports								
Bulgaria	3.4	6	3.5	6	2.9	6	2.9	6
CSSR	9.6	3	8.7	3	7.8	3	7.3	3
Poland	8.7	4	7.0	4	5.4	4	5.6	4
Romania	2.6	7	3.2	7	2.5	8	2.5	7
Hungary	5.8	5	5.8	6	4.8	5	4.8	5
CEMA (5)	30.1	-	28.2	-	23.4	-	23.1	-
USSR	38.0	1	35.1	1	36.8	1	36.5	1
CEMA (6)	68.1	-	63.3	-	60.2	-	59.8	-
Imports								
Bulgaria	3.5	5	2.8	8	2.7	9	2.8	8
CSSR	9.4	2	6.7	3	6.9	3	7.2	3
Poland	6.1	3	5.9	4	4.7	5	5.3	4
Romania	2.2	6	3.3	6	2.8	8	3.0	7
Hungary	4.6	4	4.8	5	5.1	4	5.0	5
CEMA (5)	25.8	-	23.5	-	22.2	-	23.3	-
USSR	40.1	1	35.8	1	40.5	1	40.8	1
CEMA (6)	65.9	-	59.3	-	62.7	-	63.9	-

Zusammenhang der wichtigsten Integrationspolitiken im RGW

Organizational Chart of the Most Important CEMA Integration Policies

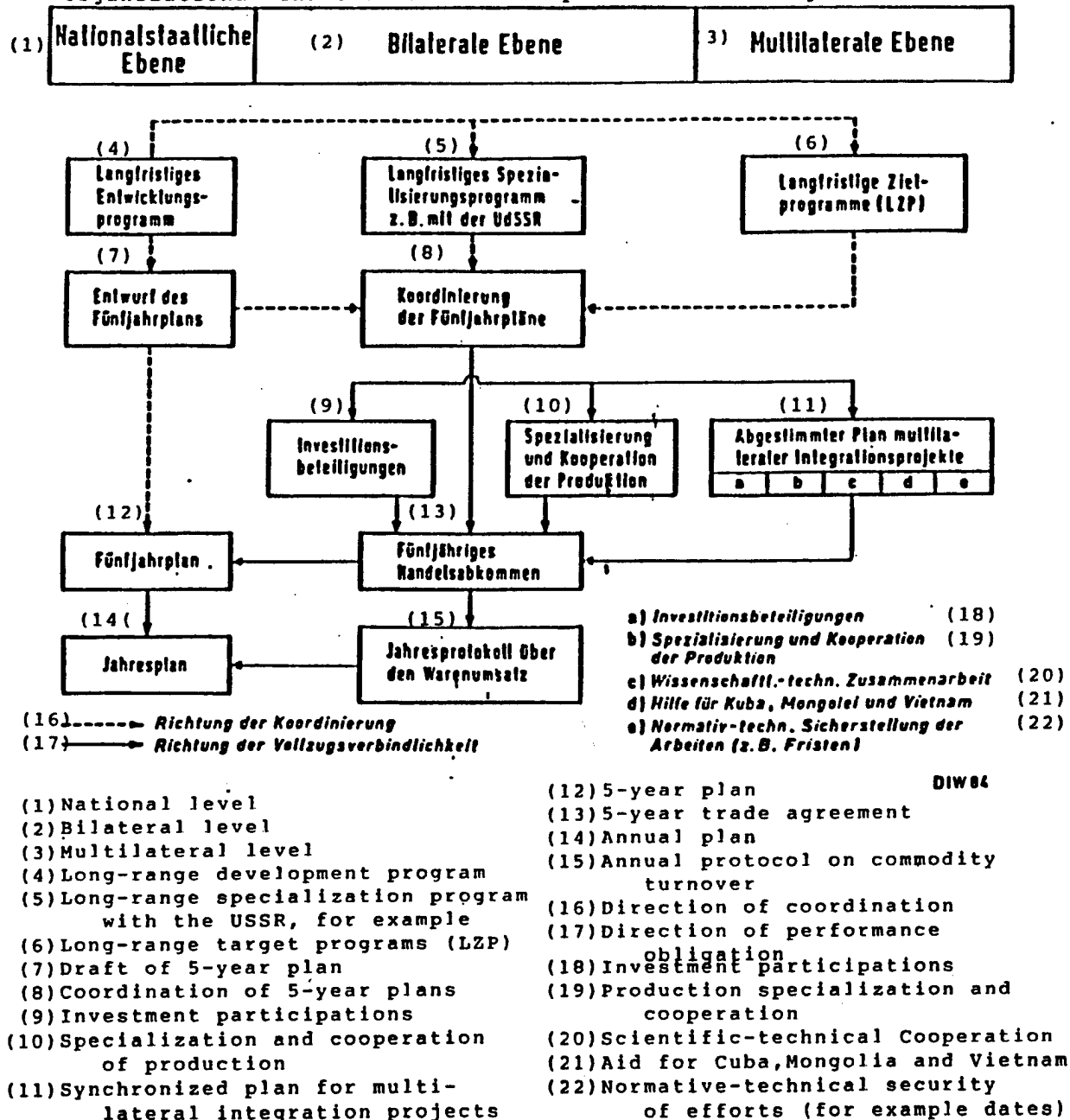


Table 1
Comparison of the 1983 Economic Potential and the Economic
Performance Status of the CEMA Countries

CEMA Country	Gross Do- mestic Pro- duct (BIP) billion \$	Percentage Shares		CEMA Country	Per Ca- pita BIP	Percentage Shares	
		USSR =100	CEMA =100			USSR =100	CEMA =100
USSR	1 070	100	69,5	GDR	7 060	100	208
GDR	118	11	7,5	CSSR	5 160	73	152
Poland	110	10,5	7	Bulgaria	4 120	58	121,5
CSSR	80	7,5	5	Hungary	4 020	57	118,5
Romania	55	5	3,5	USSR	3 930	56	115
Hungary	43	4	3	Poland	3 010	43	88,5
Bulgaria	37	3,5	2,5	Romania	2 420	34	71
Cuba	12	1	1	Cuba	1 210	17	35,5
Vietnam	9,5	1	0,5	Mongolia	1 100	16	32,5
Mongolia	2	0,2	0,1	Vietnam	165	2	5
Total CEMA	1 536,5	-	100	CEMA average	3 397	48	100
For info:				For info:			
FRG	658	61,5	43	FRG	10 700	152	315

Source: Banca Nazionale Del Lavoro, Research Paper: An Estimate of
the 1983 National and Per Capita Income of the 200 Countries
of the World, Rome, No 1, February 1985.

Comments: The gross domestic product (BIP) is one of the most
comprehensive indices of a country's economic potential, the per
capita BIP the most important measurement of its economic efficien-
cy. The calculation of these two dimensions for the CEMA countries
and, therefore, any international comparison between these and
other countries such as the FRG encounters two basic difficulties:
1. Compared with the West, the CEMA countries use a narrower
statistical concept of the total economic product; the performance
of the missing sectors (banks, insurance, government, and so on)
need to be estimated. 2. The East European currencies are purely
domestic currencies, in other words there are no economically
justified rates of exchange or purchasing power parities; they also
need to be estimated for purposes of international comparisons.
The results of the table are estimates incorporating errors of
unknown dimensions and directions. Nevertheless the table does
provide plausible dimensions overall.

Table 2
The CEMA Countries' Interlinkage in Trade with Specialized
Products 1985

Total PSK Exports = 100

Importing Country Exportg. Country	B	C	D	Cuba	P	R	S	U	For info: PSK Exports	
									a)	b)
Bulgaria (B)	-	5.6	5.8	0.3	4.3	1.7	81.0	1.3	3.2	16.0
CSSR (C)	3.7	-	11.0	0.3	7.6	1.7	72.4	3.3	3.4	17.2
GDR (D)	3.0	8.6	-	0.2	3.8	3.5	76.4	4.5	5.0	25.4
Poland (P)	3.0	7.2	4.5	-	-	3.3	79.0	3.0	1.5	7.7
Romania (R)	6.5	5.7	13.7	0.6	11.0	-	57.3	5.2	1.4	7.0
USSR (S)	19.4	10.1	17.7	4.6	13.5	5.5	-	29.2	2.6	13.2
Hungary (U)	1.4	6.1	7.8	0.8	7.3	0.6	76.0	-	2.5	13.5
For info: a)	1.0	1.2	1.5	0.2	1.3	0.5	12.8	1.3	19.7	-
PSK Imports b)	4.8	6.2	7.5	0.9	6.5	2.5	65.2	6.4	-	100.0

a) Billion Transferable Rubles -- b) Percentages
Source: Compiled and computed according to J. Bozkov:
"Specializirovannaya Produkciya vo Vzaimnom Eksporte,"
in RGW-INFORMATIONSBULLETIN, No 5/1987, pp 104ff.

Table 3

The CEMA Countries' Interlinkage in Trade with Specialized
Products of Machine Construction

PSK Exports = 100

Importing Country Exportg. Country	B	C	D	Cuba	P	R	S	U	For info: PSK Exports	
									a)	b)
Bulgaria (B)	-	5.9	5.7	0.3	4.2	1.6	81.2	1.1	3.0	18.1
CSSR (C)	3.7	-	11.0	0.3	7.6	1.7	72.4	3.3	3.0	18.4
GDR (D)	3.1	7.7	-	0.3	4.0	3.7	76.9	4.3	4.4	27.3
Poland (P)	2.8	7.7	4.2	-	-	3.5	79.7	2.1	1.2	7.3
Romania (R)	5.6	5.1	13.4	0.6	9.1	-	61.4	3.8	1.2	7.3
USSR (S)	27.0	9.0	18.6	5.3	13.7	5.4	-	21.0	1.5	9.2
Hungary (U)	1.2	6.9	6.9	1.0	7.4	0.4	76.2	-	2.0	12.4
For info: a)	0.7	0.8	1.2	0.2	0.9	0.6	11.2	0.6	16.3	-
PSK Imports b)	4.3	5.5	7.4	1.2	5.5	3.7	68.7	3.7	-	100.0

a) Billion Transferable Rubles -- b) Percentage
Source: See Table 2.

Table 4

GDR Exports to the CEMA Countries¹⁾
1970-1985

	1970	1975	1980	1985
billion VM ²				
Total exports	13,21	24,32	37,39	58,51
including:				
to the USSR	7,32	12,47	20,04	34,73
Total exports of specialized products	0,13	4,13	11,22	22,82
including:				
to the USSR	0,07	3,49	7,62	17,02
Percentage Growth ³⁾				
Total exports	....	12,6	8,9	9,4
including:				
to the USSR	....	11,3	10,0	11,7
Total exports of specialized products	....	100	22,2	15,3
Including:				
to the USSR	....	219	16,9	17,5
Structural Percentage				
Share of specialized products in Total exports	1	17	30	39
Exports to USSR	1	28	38	49
Exports to other CEMA countries	1	5	21	24
USSR share in Total exports	55,4	51,3	53,6	59,4
Exports of all specialized products	53,8	84,5	67,9	74,6
Specialization linkage with USSR ⁴⁾	0,97	1,65	1,27	1,26

1) Albania, Bulgaria, CSSR, Cuba, Mongolia, Poland, Romania, USSR and Vietnam, prevailing regional status.--2) At prevailing prices.--3) Annual average.--4) Percentage of exports of specialized products as a ratio of total exports.
Source: Compiled and computed from GDR Statistical Yearbooks, various volumes.

Footnotes

1. For example see B.W.Zschockelt: "Tasks and Opportunities for the Planned Utilization of Rates of Exchange in Socialist Economic Integration," WIRTSCHAFTSWISSENSCHAFTEN No 1/1977, 34ff.

2. See "Materials on the Report on the State of the Nation in Divided Germany 1987," published by Federal Ministry for Inner-German Relations, Bonn 1987, pp 478ff.

3. See German Institute for Economic Research, West Berlin (publishers): "Handbuch DDR-Wirtschaft" [Handbook of the GDR Economy], updated and expanded edition, Reinbek 1985 pp 344ff.

4. E.Becker: "Combines and Production Associations in the Process of Socialist Economic Integration," EINHEIT No 1112/1982, pp 1234.?

5. In order to develop this latest type of contract, the CEMA executive committee adopted in January 1979 the "general conditions for the specialization and cooperation of production among organizations of the CEMA member countries (ABSK/REGW)." These took effect on 1 January 1980. They apply directly only to multilateral PSK contracts but, following appropriate agreements, may be used for bilateral contracts also. In general the ABSK/RGW mainly include orientating norms" applicable only if the contracting parties have not concluded an agreement of their own." ("Wirtschaftliche und Wissenschaftlich-Technische Zusammenarbeit der RGW-Laender. Dokumente" [Economic and Scientific-Technical Cooperation of the CEMA Countries. Documents], Staatsverlage der DDR, Berlin 1981 p 15).

6. Manfred Kemper: "The Growth of the Economic Responsibility of the CEMA Countries for the Observance of Their Reciprocal Obligations by Socialist Law," in "Sozialistische Oekonomische Integration, Rechtsfragen" [Socialist Economic Integration. Points of Law], by a collective of authors headed by Prof Dr sc jur Wolfgang Seiffert, Berlin 1974, p 170. On the latest developments of the pertinent laws in CEMA see Wolfgang Seiffert: "Das Rechtssystem des RGW" [The System of Law in CEMA], Baden Baden 1982, 249 pages.

7. The GDR's share in intra-CEMA exports of PSK products as a ratio of its share in total intra-CEMA exports.

8. See H.Tschanter: "A New Stage in the Fraternal Countries' Cooperation in CEMA," NEUER WEG No 17/1984, p 644.

9. Almost nobody in the CEMA region has more emphatically voiced these reservations than Erich Honecker: "Let me once again point out the provision according to which nobody is empowered to abandon the manufacture of products in the GDR as long as the products to be imported are not tested in our country, commercial contracts on their importation are concluded and planned supplies guaranteed." NEUES DEUTSCHLAND, 18/19 February 1978.

10. Quoted from German Institute for Economic Research, "Handbook of GDR Economy," as before, p 345.

11. See K. Morgenstern: "On the Growing Role of Socialist International Cooperation in Connection with Specialization," WIRTSCHAFTSWISSENSCHAFTEN No 1/1982, p 64.

12. Ibid, p 61.

13. "In the development of CEMA cooperation we have to set out from the real fact that in the majority of the member countries the internal economic mechanism does not promote, moreover hardly permits the initiative and independent activity of enterprises in international specialization and cooperation. The internal wholesale prices deviate from both world market and CEMA foreign trade prices and production is separated from foreign trade both economically and organizationally. The lack of an active foreign exchange system leads to a bilateral strictly balanced order of foreign trade." J. Fay, R. Nyers: "Specialization and Cooperation in the Hungarian Economy and the CEMA," ACTA ECONOMICA, Vol 27, 1987, p 10.

14. A report on the method of operation and the problems of the Polish-Hungarian Haldex-AG, the oldest community enterprise in the CEMA region (established in 1959), for example, notes the following with regard to the significance of the lack of convertibility: "Coal replaces money, and Haldex uses it wherever possible for internal settlements... Both parties admit that the exchange of 'commodity for commodity' represents the most primitive form of settlement and merely serves to obfuscate the economic efficiency of the enterprise. The paradox consists in the fact that the use of money—zloty, forint and ruble—for the purpose of settlement definitely does not facilitate the profitability calculation of the company. This is necessarily so, because the direct rate of exchange amounts to 4.8 zloty for 1 forint while, calculated by way of the transferable ruble (used for foreign trade settlements), 1 forint costs only 3.6 zloty. How can one possibly check the profitability of production, how can investment and development decisions be made, how is the dividend payable to be established?" (RYNKI ZAGRANICZNE, 27 April 1987)

15. See NEUES DEUTSCHLAND, 19 December 1985.

16. NEUES DEUTSCHLAND, 26 February 1986.

17. NEUES DEUTSCHLAND, 27 May 1987.

18. NEUES DEUTSCHLAND, 5 February 1987.

19. NEUES DEUTSCHLAND, 22/23 February 1986.

29. See also S. Kupper, "Growing Pressure—Different Interests. On GDR- USSR Economic Relations and CEMA Conferences," DEUTSCHLAND ARCHIV No 1/1987, pp 56ff.

11698

ALBANIA

Prospects for Increased Foreign Trade Reviewed
23000046 Frankfurt FRANKFURTER ALLGEMEINE
in German 28 Dec 87 p 6

[Article by Viktor Meier: "Albania as a Future Partner"]

[Text] The FRG as well as Albania seem to harbor some expectations in connection with establishing diplomatic relations between Bonn and Tirana. As foreign minister Genscher stated on his brief visit to the Albanian capital, it is now a matter of filling these relations with substance. Several things have been prepared for that by the German side. In the current budget plan, the sum of DM6 million had been set aside for development aid, which is now at Albania's disposal. In the coming years, possibilities for further projects may also exist. But Albania can also build on the traditional interest which has always existed in Germany with regard to Albania. Professor Buda, who speaks German and is still active president of the Albanian Academy of Sciences despite his 76 years of age, stresses that it was German scholars who researched the Albanian language in the 19th century.

Socialist countries frequently seem to overestimate the power of Western politicians and diplomats to influence economic developments. Albania is no exception. But neither Genscher nor Strauss can move the private industry of the FRG toward greater involvement in Albania. Such an involvement depends decisively on what export goods Albania can produce and offer. Albania does not want to take loans and so far also has not agreed to suggestions that costs for a certain installation could later be paid off through its products. The smelting and ore processing installation for ferronickel being built in Elbasan by "Salzgitter"—currently the largest German project being carried out in Albania—is also being paid for stage by stage. It can be heard in business circles that the Albanians sometimes do not pay their bills for some time, but they do not consider that a loan. The development of commerce is impeded by the fact that most transactions have to be done on a barter basis.

If one studies the period of the past 5 years, it must be noted that Albania's export capacity has remained pretty much the same. This fact alone will reduce expectations to the proper level. No global figures are made available by the Albanian Foreign Trade Ministry, since they are secret, but the ministry does not contradict foreign estimates of the total volume of Albanian foreign trade pegged at about \$1 billion. Its most important trade partner is Yugoslavia with approximately \$100 million (in 1987, however, less than \$80 million). The rest is distributed evenly between East and West, if one can say that, considering the differing price structures. The most important Western trade partner probably continues to

be Italy, while the most important Eastern one is Czechoslovakia, which for decades has paved its highways with Albanian asphalt and, among other things, supplies Albania with mining equipment and motor buses.

The FRG ranges in the middle. Figures change from year to year, since permanent partnerships are only at the beginning stage. German statistics for 1986 show German deliveries in the amount of DM38.7 million to Albania while Albanian statistics, in approximate agreement with German figures, report a trade flow of more than \$24 million. However, figures on German purchases in Albania differ greatly. For 1986, Bonn reported imports from Albania in the amount of almost DM45 million, while the Albanians claim to have delivered only \$10.2 million worth of goods to Germany. Experts consider such divergences normal; for example, they could be explained by the fact that many barter goods do not always go the way as declared in the country of origin. But the Albanian statistics are definitely not accepted as an argument for the claim that the FRG does not buy enough goods in Albania.

Traditionally, Albanian exports are divided into three groups of approximately equal size: petroleum derivatives, including asphalt; agricultural products; and minerals, including products of light industry. It is admitted in Tirana that all three of these groups suffered price losses on the world market in recent years. In the case of petroleum products, the loss amounted to about \$45 million per year. This has contributed significantly to the stagnation of Albanian foreign trade, despite the attempt to diversify or increase the volume. This stagnation has impeded Albania's technical progress. In the case of minerals, however, led by chrome ore and processed ferrochromium, conditions had meanwhile improved. For agricultural products, timing has become increasingly important. The spring frost had helped Albania. Tirana states that Albania does not export [agricultural products] if the basic needs of the population are not satisfied. The Romanian example does not meet with approval. Meat is not exported, with the exception of a modest number of live lambs to the Orient, for example.

For the future, Albania hopes for growing demand for minerals and certain metals such as chrome, nickel and cobalt. More and more, they ought to be processed or smelted in the country itself. But this is a drawn-out process, it is said, since the appropriate installations are expensive. Albania is the world's third-largest exporter of chrome, but its chrome ores are not the best. For agricultural products, [market] saturation is noted, but one is of the opinion that, with proper timing, reserves do still exist.

Tirana does not want to negotiate directly with Brussels. Increasingly, it also wants to sell products of light industry, among them handicraft items. As a sample, we are presented with a beautifully worked tobacco pipe. A few German firms are trying to have ready-made clothes produced in Albania.

This time around, one finds in the Foreign Trade Ministry a more open attitude than formerly towards tourism. Although no tourism "industry" is desired, which the infrastructure could not even handle, regular tourist trips are to be organized within the framework of existing possibilities, i.e., for smaller groups. We are told that the largest part of Albanian foreign trade continues to be by seaborne transport. The port of Durazzo appears overburdened; several ships are waiting outside [the harbor] to be loaded or unloaded. Three times per month, an Italian ferry goes to Trieste. In the transit through Yugoslavia, railroad transport has overtaken trucking. The Yugoslavs, on the other hand, and particularly the Montenegrins, bemoan the insufficient utilization of the newly-built connecting road which, up to now, is open only for goods transport. According to Yugoslav sources, the Albanians already owe \$5 million for railroad freight.

9917

CZECHOSLOVAKIA

Air Transportation in CSSR and Developments Viewed

24000038b Prague HOSPODARSKE NOVINY in Czech
11 Dec 87 p 2

[Article by Frantisek Louda, employee of the CPCZ Central Committee: "Air Transportation"]

[Text] The development of Czechoslovak air transportation, especially international traffic, is substantially less in recent years in comparison with the other CEMA member countries and is not in keeping with the level of the CSSR's position. The appropriate conclusions were not drawn in time from the deepening conflict between the long-term obsolescence of the ground base and the development of international air transportation, both by the CSA (Czechoslovak Airlines) and foreign carriers.

The buildings at the Prague airport were sized for operational equipment, aircraft, handling and technology in 1970 and cannot handle the significantly larger volumes and demands of international transportation. Today's capacity does not meet the needs of current air traffic and lags behind not only the industrialized capitalist and socialist countries, but also behind some of the developing countries. Along with the social effects, international transportation also brings considerable savings in hard currency.

The international transportation area of the Prague airport terminal was designed for an annual capacity of 1.1 million travelers, which rose to 1.4 million persons in 1983. The needs of the on-board services and freight management remain totally forgotten even today. The necessity of a basic solution to the current situation, which will not bear further delay, is also a result of the development of travel and the expansion of air transportation. The proposed reconstruction of the terminal area

and the on-board services facility will get rid of only the most serious disproportions, but will not keep up with the current trend globally. This will not bring us up to the level of airports in industrialized countries where most of the new installations are built with access bridges and equipment which improves the quality of services and transport safety and automates technological processes, as is the case, for example, at Moscow and Budapest.

The path to modernizing the Prague airport thus should lead to the construction of new terminal buildings for international traffic with a total capacity of 5 million travelers annually, sized for the year 2010. Even though capital investment resources are limited, if we do not meet all these requirements we will have to think of all the consequences for the further development of air transportation. Neglecting investment which was required at one time for personal transportation as a whole caused shortcomings whose correction today results in much greater expenses than would have been necessary in the past. There is a similar problem at the Bratislava airport where reconstruction and the addition of new terminal areas is to be designed.

A decisive condition for the development of air transportation is likewise the modernization and renewal of the aircraft inventory because of its technical and, particularly, esthetic obsolescence. By 1990 half of the aircraft for international transportation will have been taken out of operation because their technical lifespan will have been used up. Another reason is the noncompetitive ability of the CSA aircraft in the nonsocialist countries, limiting measures in the field of ecology (noise, harmful emissions), and significantly growing demands for precision in aircraft navigational control.

The majority of the CSA aircraft for international transportation (77 percent) does not meet these conditions and requirements. The only type for Czechoslovak use is the TU-154 M aircraft with 142 seats. This is a modernized version of the existing TU-154 with more economical engines. We plan on buying seven of this model in the Eighth 5-year Plan, but the importation of these TU aircraft must be considered a temporary solution. The decisive action must be the renovation of the aircraft inventory with new generation aircraft which will bring the quality level of current and future aircraft up to world standards in terms of their technical and operational performance, low fuel consumption, modern radio navigational equipment, protection of ecological conditions, transportation comfort, and capacity.

In the USSR they are readying the twin-engine TU-204 with a range of 2,400 km at a full load of 176 seats for medium- and short-range routes and the four-engine IL-96-300 with 7,500 km range with a full load of 235 seats is intended for long routes. These aircraft are supposed to be completely developed and prepared for export production at the beginning of the Ninth 5-Year Plan.

For the period of the Ninth 5-Year Plan, the Czechoslovak industry is preparing the L-610 twin-engine turbo-prop aircraft for 40 passengers. Its use is planned for domestic routes which should again expand the air transportation within the country while maintaining the existing limited quantities of fuels with a positive solution to the problem of losses. A possible alternative would be the IL-114 aircraft with 60 seats. Replacement of the aircraft inventory is essential for maintaining the current network of Czechoslovak international transportation.

The level of services and the subsequent demands and quality, particularly operational, are unfavorably affected by the state of our airport equipment. The biggest bottleneck is the replacement of specialized equipment which is not yet being produced in the CEMA countries. These include large-capacity towed tanks for fuel and fast firetrucks, equipment for the maintenance and repair of the runways and operational areas, and a number of items of equipment for the commercial and technical handling of aircraft. We cannot find a way out of the situation just with increased efforts by employees in maintenance, repair, and special modifications using equipment which is often obsolete.

Since neither our engineering nor that of the CEMA countries has so far dealt substantially with the production of this special mobile mechanization equipment, some imports from the nonsocialist countries will be an essential condition for the effective utilization of the newly introduced TU-154 M aircraft.

Development of Czechoslovak air transportation in the Eighth 5-Year Plan will be limited in connection with the replacement of the aircraft inventory which is just beginning. It is predicted that the number of travelers on international routes will increase by 4.7 percent in 1990 over 1985. No changes are being considered in the current network of domestic transportation. Increased transport is possible only through the use of aircraft with greater capacity.

The position and importance of Czechoslovak air transportation is determined by the so-called passenger kilometers which last year made up 30.6 percent of the total transportation output with an 11 percent share of the overall number of travelers transported and a 2.2 percent share of the number of employees in transportation overall.

The future of Czechoslovak air transportation lies in the fulfillment of the tasks which stand before it now and in the future. This concerns mainly the further development of international transportation by the intensive increase of performance in the existing network of routes together with developing and organizing them so that they meet our transportation needs with a lower cost in hard currency than using foreign air transportation.

Also connected with this is the need to improve the quality of transportation, services, and the overall level of travel comfort; to expand the services offered; and to increase the efficiency of meeting all of society's transportation needs, both in personal travel and also in future years in certain areas of freight transportation. The further existence of air transportation is, however, clearly dependent on the modernization of the aircraft inventory and the ground base.

6285/9738

Mikroelektronika Founding by AK JZD Slusovice Discussed

*24000038a Prague SVET HOSPODARSTVI in Czech
1 Dec 87 p 2*

[Article by Kveta Cerovska: "For Accelerated Application of Electronics in the CSSR"]

[Text] The scientific and production association Mikroelektronika which was incorporated 19 November in Prague on the initiative of the Czech Research and Development and Investment Planning Commission (CK VTIR) will help to speed up the production and application of small computers in the Czechoslovak national economy. As the first vice-chairman of the CK VTIR, Zdenek Smely, said in his speech at a press conference on this occasion, this is the culmination of the first stage of a very demanding and complex operation which preceded the preparation and incorporation of the association and the first step has thus been taken in the coordination of such production in the CSSR.

The work and activities of the team which participated in the incorporation of this association started in June of this year. The main reason for it was the very unsatisfactory situation which we have in the development and, particularly, the application of microelectronics.

The scientific and production association founded is based to a large degree on the JZD (unified agricultural cooperative) Agrokombinat Slusovice, which is its most powerful member and has considerable experience with the production of electronics and produces a considerable volume of these products. A survey by the CK VTIR showed that just in the sphere of the CSR Ministry of Agriculture there are 61 JZDs which are involved in the production of microelectronics and of these about half share in supplying small-scale computer equipment. The work of the Mikroelektronika Association should contribute to making better use of this capacity.

At the current time, about 50 enterprises from the CSR and the SSR are members of the association—organizations, scientific institutions, higher schools, and JZDs, the latter making up about 35 percent of the members. The initial intention in creating the new organization in cooperation with the Federal Ministry of the Electronics Industry (FMPI) was to accelerate the application of electronics on a broader range of material, but the

problems connected with overcoming administrative and technical difficulties were so great that this intention will be realized only in stages.

According to the proposed program, the scientific and production association Mikroelektronika will manufacture 214,000 small computers by the end of 1990. The members of the association will work on the principles of *khosrazchet* and will sign economic contracts with each other in accordance with the applicable laws and regulations. The association will coordinate the activities of the individual organizations, direct further research and development, contribute to integrating the types of production and increasing the capabilities for mutually connecting the instruments and equipment manufactured. Thanks to the economic power of some of the members, the association also has its own sources of hard currency resources. This makes it possible to import some components from abroad, while it will also be partially compensated by exports.

This scientific and production association differs from the usual type of association in this country; up until now, an association was incorporated on the basis of the fact that if a specific research theme was to be carried out or products and technology developed, then there had to be found an implementor, subcontractors, or cooperating organizations to speed up the introduction of production of a given product or technology. The new association is not dealing with just a single product, but with microelectronics as a whole, even though in the first phase there are plans only for a certain product line of microcomputers. It will develop a series of microelectronics programs in accordance with the capacity and capabilities that it has available and what experience it gains; that is, this association has the nature of a consortium. The number of members in the association is not limited and entering into the association is not conditional on any fees or any hard currency or domestic funds inputs. The enterprise or organization must, however, demonstrate a certain capacity or capability to advance the goals of the association. This should show up specifically after a year when passive members can be expelled from the association.

A board of directors is at the head of the association and will take care of contacts with the agencies of the CSSR and the CSR and formulate and create R&D policies. Another agency is the Association Council in which the member enterprises and organizations are the statutory representatives. The Council will evaluate the basic conceptual materials and recommend solutions to individual problems. It will have three sections: the production section (it associates the enterprises which will be concerned with resolving production questions), the scientific section (it will handle conceptual questions and R&D), and the user section (it will ensure the application of the results of the production program). Specific working groups for the solution of individual questions can be set up in these sections as well.

[Photo caption]

The TNS-GC microcomputer set with floppy disk magnetic memory belongs in the category of personal computers for professional use. The construction system is suitable for processing massed data, scientific and technical computations, and control of technological processes in agriculture and in other departments of the national economy. The manufacturer is JZD Agrokombinat Slusovice.

6285/9738

GERMAN DEMOCRATIC REPUBLIC

Key Technologies Spur Development of Productive Forces

23000041 East Berlin

WIRTSCHAFTSWISSENSCHAFT

in German Vol 35 No 12, Dec 87 pp 1761-1780

[Article by Prof Gerhard Schulz, doctor of economics, certified sociologist, born 1927, director of the research section at the Institute for Socialist Political Economy, Academy of Social Sciences, CC SED, corresponding member GDR Academy of Sciences, member of the Editorial Board of WIRTSCHAFTSWISSENSCHAFT, National Prize recipient; and by Prof Klaus Steinitz, deputy director of the Central Institute for Economic Sciences, GDR Academy of Sciences: "Changes in the System of Productive Forces"; first paragraph is summary]

[Text] In accordance with the findings of the classics of Marxism the authors analyze the system of productive forces as an overall working mechanism of man's struggle with nature, with the productive force of labor having the function of keeping this unity in motion. The differentiation between objective and subjective productive forces, material, energetic, and informational productive as well as individual and social productive forces enables to analyze the structure of the system of productive forces and their function in the reproduction process. The authors highlight the trends of the qualitative change within the system of productive forces and the features of the dynamism that marks the new stage of the scientific and technological revolution.

In the new phase of the scientific-technical revolution, changes of great social importance are taking place in the development of productive forces which are characterized by the accelerated development and wide application of key technologies. These changes are opening the doors to future economic growth on the basis of intensive management and exert an influence upon the direction, the pace, and the social effectiveness of the further development of productive forces. Key technologies, the progressive component of the productive forces which is becoming ever more effective in the economic system of the people's economy, are the determinant of the degree

of maturity of intensive reproduction and the composition of its long-range bases. They influence shifts in the level of productivity and efficiency. As a result of their unique efficiency potential, key technologies are able to function as a reproductive source of a continuing efficiency and productivity increase throughout the breadth of the people's economy.

This gives rise to new questions pertaining to the developmental directions and developmental conditions governing productive forces, as well as regarding their influence upon economic and social conditions. This impacts on the system of productive forces and its structure. It is, thus, imperative to seize all elements and processes of productive forces in their role according to their economic efficiency, their mutual interdependence, and their efforts to achieve higher development so as to be able to develop all potentials of the socialist society for the benefit of the people. This also meets the requirements of the theoretical-methodological function of political economics which call for a contribution to the theoretical foundations of Marxist-Leninist economic sciences to be made.

"We must keep pace with the growing dynamics of productive forces and achieve a lead in the race against time at important points. This is the way in which production can be strongly increased further while production consumption is lowered, in other words, it is the way toward achievement of high economic and social results."(1) The area of accelerated and wide application of key technologies is the area in which the "decision regarding the further development of our economic force" is made.(2)

Findings of the Classics With Respect to the Analysis of Productive Forces

Before we turn to the analysis of the system of productive forces, let us refer to the following fundamental findings of the classics and the resulting consequences:

First, productive forces always exist and function in inseparable connection and dialectic reciprocity with production conditions, since every method of production always represents the unity of both of its sides. This correlation between productive forces and socialist production conditions is transmitted by the creative work of the workers in the form of the principal productive force of society. People are simultaneously carriers of the production relationships to which they have agreed.(3) In the event we lose sight of this dialectic reciprocity between modern productive forces and socialist production relationships, difficult developmental directions pertaining to the further perfection of socialist production relationships in their concrete manifestations as effective forms of development and movement of productive forces can result from the political-economic standpoint. Moreover, there is the danger that socialist production relationships are viewed in isolation and in

relative separation from the workers, from their specific work activity, as well as from real conditions and specific developmental tendencies governing material productive forces.

Under current and future conditions, there is no essential question pertaining to the further perfection of socialist production relationships which can be analyzed and decided independent of the developmental conditions and developmental requirements of productive forces. Conversely, however, tasks involved in the further development and restructuring of productive forces can only be solved if the production relationships are constantly being perfected in agreement with qualitatively new or altered requirements levied by the economic-technical revolution and by comprehensive intensification. Reciprocal relationships between productive forces and socialist production relationships are defined as conscious, forward-looking relationships created by people designed to constantly further develop or improve the totality of the conditions governing social progress. For Marx, productive forces and production relationships represented two different sides of development of the social individual.(4)

Secondly, the classics analyzed and generalized the development of the totality of the productive forces and their individual elements and processes in accordance with their specific role in the reproduction process, always in connection with increasing productivity and efficiency of social labor, as well as in conjunction with qualitative and quantitative changes occurring in the productive and social total worker. Thus, all elements of the system of productive forces are the result of the productive work of the workers and, at the same time, they are factors of production, of economic growth, and of intensification which are used in the work process.

Thirdly, the personal and substantive factors of production can only become productive forces for society through effective collaboration in the production and reproduction process, through "agitated unity,"(5) as a functioning total mechanism involved in the confrontation of man with nature. If the elements of productive forces exist in isolation from each other—if man does not engage in any purposeful activity, if resources are not used by man in order to form products from working objects, if objects don't constitute the moment of the production process, and if people do not direct their activities toward them—they do not function as productive forces.

The key to the movement of this "unity" is the productive force of labor. Nevertheless, in his economic analysis, Marx dealt in detail with the structure of this "agitated unity" and, thus, with the elements of the system of productive forces, since it is well known that they fulfill different functions within the production process and move in different manners. In the final analysis, the "productive force of labor is determined by manifold circumstances."(6) Added to this is the fact

that the material elements and processes of productive forces tend to determine the structure of the material-technical basis of social production, decidedly reflecting the economic laws in effect. Additionally, reference can be made to the deep economic analysis of the factors involved in increasing labor productivity which at the same time converge in their systems effect as an organic whole. Warnings according to which the interconnection between the concepts of productive forces and productive force of labor is obscured "if productive forces are represented as an independent substance, as an isolated economic factor,"(7) hardly apply to the practice of economic research and pass by the requirements posed by economic activity.

Fourthly, an analysis of productive forces, their elements, and processes must always proceed from the standpoint of their specific historical development level. Under the conditions of the scientific-technical revolution, modern productive forces develop with particular intensity and with extraordinary dynamism. Revolutionary changes gain a heightened significance; complexity and reciprocity between the elements of productive forces increase.

Thus, key technologies exert far-reaching influences upon the content and conditions of labor, upon the resources, and upon the quality, structure, and functions of the objects of labor and furthermore lead to qualitative changes in the total system of productive forces. At the same time, the specific-historical method of analysis is also necessary because its level of development differs in the various combines and enterprises, branches, and sectors of the people's economy and in the various people's economies and because scientific decisions regarding changes demand precise knowledge of the developmental status of productive forces and of the tendencies for their further development. Given the fundamental process of the scientific-technical revolution—the radical change in information technology, which is inseparably connected with automation (8)—traditional technological conditions will continue to exist for a longer period of time alongside the most modern ones and the difference in working conditions at various enterprises can become even greater temporarily. Consequently, "the differentiation of the working class, which is connected with a degree of modernity of the means of labor, will increase over a longer time span."(9)

Fifthly, the SED based and bases its entire policy on the findings of the classics, according to whom the productive forces are assigned the revolutionary role with respect to the method of production, with consideration being given to the differences between qualitative and quantitative progressive processes in science, technology, and production.

The technology of the future is already moving into the most varied branches of industry and into other areas of the economy. This process of progress must be connected

with socialist rationalization in every enterprise and every production department. Technological development must go forward everywhere, it must become palpable as new prerequisites arise for increasing labor productivity, for increasing the quality of production, and for lowering production. Improvements in working and living conditions, particularly the alleviation of heavy physical work, must go along.

That is why the understanding must be promoted that "socialist rationalization represents the principal path toward increasing labor productivity, a rationalization, mark you, in which high technology represents an increasing influx." (10) A decisive prerequisite for this is represented by the rationalization middle management levels of the combines. With its 100,000 employees, it is already an important catalyst today for the accelerated development of productive forces. It is being expanded rapidly and accompanied by the application of key technologies to the most important carrier of modernization and automation in production.

In conjunction with the requirements of comprehensive intensification, an analysis of the revolutionary and evolutionary changes in productive forces leads to the final conclusion that the struggle for scientific-technical progress in its entire breadth and differentiation be carried on, that key technologies, connected with socialist rationalization be advanced to the center point of socialist competition and that conditions be created to permit the development of the creativity of the working class, of cooperative farmers, of the intelligentsia, and of all working people in a yet more effective manner than heretofore.

The findings of the classics with respect to qualitative and quantitative changes in productive forces and with respect to the dialectic of productive forces and production relationships are the political-economic foundations for the examination of innovative processes. In our opinion, these theoretical foundations should be used more intensively for the reproduction-theoretical analyses and for the generalization of innovative processes which are aimed at the comprehensive utilization of key technologies. By the consistent application of requirements for the further promotion and development of intensive reproduction models with respect to all innovative processes it is also possible to overcome manifestations or tendencies which involve a certain trend for innovations to become independent entities and which arise, for example, if the innovation is analyzed in an abstract manner in and of itself or if high renovation costs for production are sought after without increasing the efficiency of the reproduction process.

From the viewpoint of political economics of socialism, the concept of productive forces can be determined as follows: (11) The productive forces of society are those forces with the aid of which people shape natural things and natural processes directly into forms which correspond to the satisfaction of social and individual needs;

they represent the totality of the objective and subjective sides of labor which brings about a specific type and manner of cooperation between people and work resources in the production of products, a specific labor productivity and development of social relationships.

In other words, they embody the forces and capabilities of society to produce the means for the satisfaction of its growing requirements with an ever-decreasing expenditure of social labor per product or performance unit, that is to say, with increasing economic efficiency. That is why the capability demonstrated by the elements of productive forces to influence the magnitude and dynamics of labor productivity, taking into account the objective interrelationships which exist, are seen as an important general characteristic of productive forces.

Trends in the Qualitative Change in the System of Productive Forces

Starting with the classics and in agreement with new trends of productive force development, one can differentiate between objective and subjective productive forces, substantive, energy, and information forces, as well as individual and social productive forces. These differentiations have their deep meanings and facilitate an exact analysis of the structure of the system of productive forces and their function in the reproduction process. Development of the system of productive forces is influenced by the scientific-technical revolution and the comprehensive intensification process, whereby key technologies exert a significant influence upon the direction, the pace, and the social effectiveness of the qualitative change in productive forces. Only four trends in the development of productive forces are emphasized here: (12)

i. As the revolutionary changes in such areas as micro-electronics, computer technology, control technology, flexible automation, biotechnology, and others show, the pace of productive force development is accelerating and the time frame and moment of development and introduction of innovations increasingly determine the development of efficiency. The deadlines in the cycle of science—production—marketing are shrinking rapidly. "It is not the isolated performance at one stage within the cycle, but, rather, the mastery of the entire chain that decides on the final success." (13)

ii. Revolutionizing innovations leads to a higher level of productive forces which must become manifest in terms of high growth rates of productivity and efficiency. Comprehensive intensification demands that scientific-technical progress be realized in its unity with revolutionary and evolutionary processes. The consistent utilization of evolutionary changes in productive forces, which occur in mutual connection with revolutionary innovations, is part of the unrenounceable requirements of intensification. The growing weight of fundamental revolutionary innovations finds expression in the comprehensive program of scientific-technical progress

adopted by CEMA member countries through the year 2000, which is oriented at key positions in the electrification of the people's economy, in comprehensive automation, in nuclear energy, which concentrates on the processing of materials and technologies and on biotechnology.

iii. The effects of key technologies extend to the totality of the system of productive forces, they lead to higher complexity and breadth, as well as a stronger mutual dependency and interrelationship between the individual elements of productive forces. On the one hand, key technologies require a high economic and technical performance level on the part of the entire people's economy. They pose very high and differentiated requirements on advance performances in research and development, in education and qualification on the part of workers and on investments, as well as on all levels of coproduction. On the other hand—and this is shown by the penetration of information and automation technology based on microelectronics into all branches and sectors of the people's economy—they are characterized by a broadening effect on the totality of the people's economy and on the various types of activities undertaken by workers. The scope of revolutionary scientific-technical changes is increasing at an unprecedented pace. "Today...basically no area of social labor is thinkable in which the scientific-technical revolution would remain without decisive consequences: with advancing automation, completely within the sense of the famous prediction by Marx, man is striding side by side with the production process instead of being its principal agent, as was the case hitherto.... The most modern technologies and equipment are invading the health care field, the schools, the mass media, the service sector, and, last but not least, agriculture."(14)

iv. Finally, the development of productive forces is increasingly dictated by the internationalization of the economy and of production and by the international interrelationship in all stages of the preparation, introduction, and development of innovations. This lends the yardsticks which are set by the international level and the pace of progress in decisive areas of the economy and technology an orientation toward a higher degree of international competitiveness, toward international peak performances involving key technologies and their rapid economic utilization ever greater weight. This, in turn, gives rise to higher requirements levied upon the level and effectiveness of the international division of labor and cooperation, particularly in regard to the development and application of key technologies which involve all phases of the innovation process. In the final analysis, the overriding requirement is to accelerate the development of productive forces and to increase their influence on progress throughout society, on the fulfillment of the goals of socialism, through greater economic and social effects.

Starting from these general developmental tendencies pertaining to modern productive forces, Guenter Mittag emphasized the following characteristics of the current

dynamism involving modern productive force development,(15) which need to be considered in effectively shaping the cycle of intensively expanded reproduction:

First, the principal factor in considering the dynamics of productive forces is the degree of the interrelationship between science and production. The imperative yardstick is the one which renders scientific-technical results broadly effective throughout the economy in the shortest possible time.

Second, microelectronics must be organically joined with the machinebuilding industry, both with respect to products, as well as technologies. This gives rise to that highly efficient production instrument which will make it possible to achieve a high labor productivity throughout the people's economy. Productivity is embodied in the hardware and software sectors of microelectronics and in computer technology which is based on it.

Third, the application of CAD/CAM equipment in conjunction with flexible automation and computer-supported enterprise management, will become a determinant factor for technologies and organization and, thus, for the economics of enterprise operation. Research and development, production and marketing will merge in a unified computer-controlled process, whose criterion consists of a flexible response to the rapidly changing requirements of users in the face of the high productivity of fabrication.

In the GDR, the economic strategy is oriented toward this most modern development tendency of productive forces. All essential conditions are arising in order to implement a completely computer-supported type of production on a gradual basis. In this regard, CAD/CAM solutions are being connected with flexible production systems, computer-controlled industrial robots, and new communications technologies on the basis of appropriate computer networks. "We have, thus, undertaken a development which, in the next 10 to 15 years, will lead to ever more automated factories in various stages."(16)

The dynamic growth of the economy, which will also be necessary in the future, presupposes a high and continually increasing productivity and efficiency. In this regard, it is imperative that the share of the efficiency increase which is based on fundamentally new technologies and products rise. This is a matter of both a greater breadth of the people's economic efficiency effect, as well as its increasing depth, that is to say, a greater efficiency increase in any given specific process. This is precisely the basis for the greater significance of such new scientific findings which can only be brought forth by a far forward-looking basic research, as well as the necessity of forging an even closer economic relationship between science and production. Since key technologies have an effect on all sectors of the people's economy, on all phases and stages of the reproduction process, on all elements of productive forces, they embody major

opportunities to achieve a higher national economic production and efficiency level and a continuous productivity and efficiency dynamism. The attainment of these new opportunities presupposes the constant further development of socialist production relationships and performance, planning, and economic accountability as one of its decisive realization forms, as well as the achievement and availability of significant advance performances.

The development of productive forces which is based on key technologies demands a closer mutual interrelationship between the scientific-technical, economic, and social processes. But it simultaneously opens new opportunities in return. This is true, both for the higher social effectivity of scientific-technical progress, for the ever better satisfaction of the requirements of the populace, for the improvement of working conditions, for the development of personalities, for the creation of rational relationships with the natural environment, as well as for a stronger repercussion on the part of sociopolitical progress to the pace and efficiency of scientific-technical progress. Even here it is true that the new opportunities presented by key technologies are realized in a complicated controversial process which poses higher requirements upon the effective formation of the dialectic of scientific-technical, economic, and social processes in all phases of innovation, from their preparation through to their mass application. In further forming a developed socialist society it is important to do everything to realize the innovative process, particularly those innovative processes which are revolutionary in nature, in such a way that corresponds to the goals of socialism, to the humanistic character of our society. It is precisely here that we find a nucleus of the organic connection between the scientific-technical revolution and the advantages of socialism. Only socialism is in a position to develop the social opportunities of the innovation process comprehensively and to utilize their potential completely and consistently in the interests of man.

Key technologies also make it possible to develop new ways, more rational relationships between society and nature, they make it possible to connect dynamic economic growth with diminished demands upon natural resources. Thus, for example, the application of micro-electronics, of information and automation technology, makes it possible to achieve higher efficiency and rationality in transforming the forces and materials of nature to utility values; biotechnology and nuclear technology can utilize new natural potentials and free productive forces of nature in the reproduction process. This is significantly connected with the fact that, with the use of key technologies, the effect of innovations on the consumption of energy, raw materials, and materials is changed significantly in comparison with previous times. From increasing the throughput rate or processing quantities of raw materials and materials per capacity unit and time unit, the effects of current and future innovations are felt increasingly in higher degrees of raw

materials beneficiation, more comprehensive raw materials utilization, as well as their more economic and rational utilization. This makes it more and more possible to achieve economic growth on the basis of higher energy and material economies. However, this means that the effect of key technologies upon the most rational utilization, the conservation and substitution of raw materials and materials, as well as on the intensification of production must be substantially increased. Only in this way can the necessary dynamic economic growth be assured in the long term.

And, finally, future productive force development will also be characterized by having specific key technologies demonstrate the "capability" to produce always fundamentally new as well as smaller technological and production innovations over a very long time frame and to, thus, constantly reproduce the sources of a high increase in productivity and efficiency and to lend intensification a long-term stable character.

Means of Production and Objects of Production—The Influence of Key Technologies

Let us now turn to the structure of the system of productive forces and to the analysis of their functions. First, let us one more recall the Marxist definition of the means of production. "The means of production constitute a thing or a complex of things which is interposed by the worker between himself and the object of production."⁽¹⁷⁾ The level of the means of production is the most obvious attestation of social development. Consequently, Marx stressed that: "It is not what is done, but how individual means of production are used that differentiates between economic eras. The means of production not only represent a yardstick of development on the part of human output performance, but are also an indicator of the social conditions under which work is accomplished."⁽¹⁸⁾ Within the means of production, production instruments play a relatively independent role, since they are used to purposefully exert influence upon nature, to change the objects of production, and to influence social relationships. Marx designated mechanical means of production as the bones and muscles of production.

Together with the scientific-technical revolution, key technologies exert a deep influence upon the means of production. Increasingly, new technical principles and technological processes materialize with the development of the means of production, whereby the following tendencies must be noted in particular:

The development of the means of production to a higher level finds its expression in a new quality of automation on the basis of modern information technology (comprehensive, flexible automation, higher precision and reliability of automatic controls and regulation, etc.), in the application of new technologies and processes, in higher technical-economic performance parameters, and in the strengthening of their systems characteristics. The

greater flexibility and availability of the means of production for changing production tasks, particularly with respect to the manufacture of new products, take on a decisive role in the rapid response to new market requirements, in accelerating the innovation process, and, in general, in increasing international competitiveness. These qualitative processes, which also attest to closer connections between automation and modern technologies, increasingly determine the directions and focal points of basic asset reproduction, of their modernization, renovation, and expansion.

New elements and members are making their appearance in the system of production means. The basis for this is, primarily, the development of information technology and new types of work means based on the unity between technical systems and living organisms—microbiological production means such as microorganisms and enzymes. These lead to changes both in the function as well as in the structure of the means of production. The functions of material and energy transformation and transmission are thus being augmented. The utilization of biotechnological processes in production means that hitherto active means of production (machines for the materials economy and for energy processes, as well as animal means of production to support energy processes and to manufacture animal products) are being augmented or even replaced through microorganisms. The latter are in a position, on the one hand, of realizing functions which have thus far been based on the use of physical and chemical principles and appropriate means of production, on the basis of biological principles and appropriate means of production, and, on the other hand, of contributing hitherto impossible production results (products and performances). With the effectivity of microorganisms, the relationships between “embodied” and “live” means of production are experiencing a new quality.

All means of production functions connected with the processing of information are not realized at the equipment stage, but increasingly on the basis of microelectronic components and subassemblies. This can lead to a conservation of processing steps and to the achievement of significant miniaturization and savings effects. Various key technologies are being combined more than heretofore in one means of production or one production complex. This is particularly true of the combination of microelectronic-based information technology and new processing equipment, for example, in the case of bioreactors for the use of modern biotechnological processes, in equipment and facilities of the nuclear energy industry, of machines and facilities for the application of nonmechanical technologies in the handling and processing of raw materials (such as laser technologies, plasma technology). The utilization of these new technologies is made possible only on the basis of a new quality of information and automation equipment. The performance capability of these new means of production is increasingly determined by the fact that hardware and

software are being developed in harmony. Software is ever more becoming the angle of attack for the utilization of the efficiency potential of new equipment.(19)

The scope for the utilization of automated means of production is being fundamentally expanded. Fabrication processes such as the manufacture of small and medium series, which have thus far not been accessible to automation or only accessible with difficulty, can be incorporated into automation through industrial robots and flexible fabrication systems. Office and personal computers with the appropriate peripheral equipment facilitate the incursion of automation into the area of intellectual work.

From 1986 through 1990, an additional 80,000 industrial robots will be manufactured and activated. To a growing degree, they are also penetrating into the area of assembly processes, transportation, and cargo transshipment processes. For the 5-year plan, it is planned to establish 90,000 CAD/CAM work stations. By the end of the 5-year plan, approximately five times as many workers will be operating at these CAD/CAM stations as was the case in 1986. All combines have begun the introduction of computer-supported work stations in their design shops, in the technological preparation of production, and in production control. This new equipment makes it possible to increase the productivity of designers, planners, and technologists by 100 to 500 percent and to cut the costs of technological production preparation by one-half. In introducing new products into production, one-half to three-quarters of the time can thus be saved. The economic utilization of this modern equipment, which requires a more flexible and more efficient formation of working processes is very closely connected with the progressive changes of production relationships which result primarily from necessary changes in the total organization of production and reproduction, as well as from social relationships within and between the various collectives.

The extent of the means of production is by no means exhausted by the enumeration of production instruments. As a necessary production condition, they also include the land. “The land itself is the means of production, but it assumes the use of an entire series of other means of production and a relatively high degree of development of working forces in order to accomplish its service as a means of production in agriculture.”(20) In agriculture, the land represents the decisive means of production. In the working process it functions as a means of production and, simultaneously, as an object of production.(21) Work buildings, canals, highways, etc., are, according to Marx, common means of production. The “circulatory system” of production (containers, pipes, etc.), the means of transportation, and communication are components of the means of production. Without changes in the location or situation of the objects of production, of semifinished products, and of the workpieces, production is impossible and a final product cannot be produced. The productive force of

transportation (through the use of air, water, or ground transportation means) is heightened by the constantly growing mass of cargo to be transported and by curtailment of the time required for cargo transshipment. With the further development of the material-technical base of the people's economy, the technical infrastructure, particularly the networks for the transportation or the transmission of material goods, energy, and information, acquire a great and expanding significance.(22)

Increases in the performance capability, availability, and reliability of the transport, energy transmission, and communication systems will become a decisive unrenounceable condition for the long-term exploitation and utilization of the efficiency and growth potential inherent in key technologies. In this regard, the creation of a high-capacity network for information transmission on a national and international scale (an information-technical infrastructure) plays an outstanding role with respect to the necessary higher reaction capability of the reproduction process, with respect to the mastery of comprehensive and complicated interrelationships and, in general terms, with respect to a higher level of preparation, direction, and planning of enterprise and national economic innovation processes.

The natural forces used by man in production (the force of water, steam, electricity, the energy derived from coal, petroleum, and gas, nuclear energy) also are part of the productive forces. These sources of natural energy only become productive forces for society if they are utilized in a productive work process. The development of production cannot be understood without the use of energy sources as the utilization of steam power, electricity, and nuclear energy in the history of productive forces shows. The energy productive forces simultaneously exert a revolutionizing influence upon equipment and the entire structure of productive forces.

A necessary element in the work process is the work object at which man directs his purposeful activity. Work objects include natural substances (ores, petroleum, natural gas, coal), raw materials, energy, and auxiliary materials (for example, lubricants, raw material additives—illumination, heating). There can be no production process without a work object; it represents a prerequisite for the development of consumer values. As a result of sizable cost increases in the extraction of raw materials and fuels, prices in the 1970's and 1980's—although in a differentiated manner—rose considerably so that decisive substitution processes and national economic structural changes resulted. A stable supply of raw materials and fuels is of vital significance to any national economy. For the majority of political economists, work objects simultaneously represent productive forces, whereby a differentiation is frequently made between active (for example, motor fuels) and passive (for example, raw materials) forces. The work object as a natural substance participates in the formation of consumer values. But as a material—which is changed—it does not participate as an active force which changes the

substance. Thus, petroleum, natural gas, coal, uranium, and other substances can be derived as work objects by the extractive industries. At a certain phase of production, they are transformed into energy and serve as energy or force sources for motors; in other words, they take on an active role in the production process. Not all work objects—ores, metals, cotton, raw leather, and others—can fulfill this active production force function.

The great economic weight of the objects of work is demonstrated in the efforts on the part of society to obtain them in the required volume as rationally as possible, to convert them at high degrees of economy into useful products and, in so doing, to achieve a high degree of beneficitation. Like all extracted material and energy productive forces, raw materials belong to the material-technical base of the national economy.

Scientific-technical progress exerts a sizable influence upon the beneficitation of the quality, structure, and function of work objects. Characteristic of this are new materials and materials combinations, the utility characteristics of which are increased in order to be able to meet extreme requirements with respect to cleanliness, strength, heat resistance, wear resistance, and other parameters, for example. Through biotechnology, work objects are expanded by the application of microorganisms and enzymes which, with their specific characteristics (for example, an extraordinarily high reproductive speed, a specially high selective effect), contribute to the intensification of the reproduction process. With the development of microprocessors, of materials, of microorganisms which become unified in the functions of means of production and objects of production, the boundaries between certain materials and means of production become more fluid. Furthermore, the structure of work objects is altered in favor of highly valuable materials and auxiliary materials.

The fact that the objects of work are being included substantially more strongly than was the case in previous times in scientific-technical progress and, in general, in the revolutionary changes affecting productive forces is connected with all these developments. This is true both of the development of new work materials, of biotechnological products (for example, of biocatalysts) and of other scientific findings of basic and applied research which are basically new in terms of materialization, as well as for their effectivity in further productive force development and in the raising of the efficiency of the production process. For example, new work materials are an unrenounceable prerequisite for the application of all key technologies, ranging from microelectronics through biotechnology all the way to nuclear equipment.

The use of key technologies must lead to higher rates of decline in the specific consumption of raw materials and work materials of importance to the national economy. Guenter Mittag referred to the fact that key technologies open up the following ways: First, CAD/CAM equipment is to be utilized as early as the design phase to

facilitate lighter-weight products. It is known that between 25 and 30 percent of reserves are available in this area. Second, the broad application of microelectronics is to lead to the new shaping of entire component groups and products on the basis of microelectronics. This can lead to significant magnitudes of national economic material savings. Third, new material-conservation and energy-conservation technologies are to be deliberately researched. Fourth, research, development, and introduction of new work materials is to be accelerated. In so doing, available work materials are to be benefited to the maximum extent, they are to be provided with greater tensile strength and other characteristics. What is at stake is basically the accelerated development and introduction of fundamentally new work materials, particularly on the basis of ceramics, but also new plastic materials as well as fiber compound materials.(23)

Objective and Subjective Productive Forces

In analyzing productive forces the question frequently arises as to how it is possible to reconcile both aspects of the Marxist-Leninist position on the principal productive force of society—man—and the subjective elements of productive forces (the means of production, particularly production instruments) as the determinant page in the system of productive forces. The differentiation into objective and subjective productive forces is of great significance in answering this question and to the analysis of the mutual relationships between productive forces and socialist production relationships. By dividing productive forces into objective and subjective components,(24) Marx raises man with his subjective characteristics out of the totality of the productive forces. Marx always conceived the development of productive forces as a process in which man exerts influence upon nature through work and in which nature is altered. In the system of productive forces, man with his creative capabilities and his intellectual strength, which is systematically organized in the form of science, represents the principal productive force of society. Thanks to his physical and mental capabilities, it is man alone who is able, through the work process, to place all other productive forces in motion, combine them, utilize them efficiently, and see to their further development. Under socialism, man stands doubly at the focal point of all efforts of socialist society and its state: Everything happens for his sake and everything occurs through him, through his creative activity. Consequently, the creative work of man and the universal development of his personality stands at the center of the attention exerted by party and state. Man is the principal productive force in society. Lenin teaches: "The worker is the first productive force of all of humanity."(25) For this reason, creative human effort and its increasing social character constitute the central point of departure for the analysis of productive forces in society through the political economics of socialism. That is why the intrinsic forces of people which culminate in the role of science as a productive force and find their clearest expression within the work process stand at the very beginning.

The concept of principal productive force emphasizes the active, forward-pressing, and unique main role of man. It is precisely through thinking and the opportunities related therewith, the ability to predict the results of production, new equipment, and technological processes that man plays an active and creative role in production.

However, the active role of man as the principal productive force in no way negates the fact that the subjective elements of productive forces, primarily the production instruments to the extent to which they form the determinant side of productive forces, as they are essential to the development of man as a productive force as material bases and to the development of the other sectors of social life and according to which they are able to determine the character of the relationship between man and nature. The differentiation into objective and subjective productive forces makes it possible, on the one hand, to explain the objective productive forces as the determining side of the development of productive forces within the framework of the object-subject dialectic. On the other hand, the active role of man, which attains a new quality under socialism, can be justified.

With an eye toward man as the principal productive force and with an eye on key technologies, Erich Hon-ecker emphasized: "In the final analysis, the education of people and the level of their performance decide how successful the conversion of the most modern equipment into high economy will be.... It is all the more important then to assure the availability of the necessary basic qualifications as early as now."(26) As is known, the introduction of key technologies is accompanied by increases in requirements for education and qualification of the workers, increases in the level and extent of their intellectual-creative activity. This is particularly true of scientific-technical work, but also increasingly of all other activities which are aimed at the comprehensive introduction and utilization of innovations and the resulting high quality requirements. It is precisely the forward-looking qualification of cadres that is of maximum importance. The further development of continuing education will be "developed into a column of equal rank as education itself."(27)

The solution of new tasks is not only connected with higher requirements with respect to quality, availability, and mobility of workers, but working conditions and living conditions must be improved according to plan at the same time so that the materials exchange involving nature can be rationally regulated and can be accomplished with the least expenditure of effort under the most honorable and adequate conditions of the human nature.(28) "This also gives rise to new prerequisites calling for a change of the position of workers in the production process, of charging them with performing more interesting creative tasks, of constantly making their working conditions more advantageous in a manner worthy of a socialist enterprise."(29)

As productive forces are developed to a higher level, the role of man in the system of productive forces increases. The scientific-technical revolution and the new substantive productive forces which characterize it are, themselves, the result of a new quality in the effectiveness of creative human work and presuppose it as an obligatory condition. The efficiency potentials of key technologies will not be realized automatically, but by man, by his creative performances, by his capability of working out innovations rapidly and with a high degree of efficiency, by his ability to make the necessary changes in the organization of production and in the reproduction process as well as by the qualification and motivation of the workers to effect the full utilization of the opportunities of new technologies in the production process. At the same time, the scientific-technical revolution creates new movement and action latitudes on the basis of socialist production relationships for the further unfolding and utilization of the creative capabilities of people and, thus, opportunities for their universal personality development. However, all of these processes do not occur smoothly and friction-free, but rather in a complicated and controversial process.

Individual and Social Productive Forces

The social character of productive forces is given not only from the fact that natural substances are changed into utility values for society. It also results from the type and manner in which the productive forces exist and is determined by the social form of this existence. Productive forces exist, function, and develop always in inseparable connection with certain production relationships which determine the character of the given type of production. Productive forces do not function outside of these social relationships.

From this viewpoint, the differentiation between individual and social productive forces is extremely informative. Individual productive forces are to be understood as the physical and mental capabilities of man which become effective in the work process. Individual productive force is also defined as work force or work capacity on the part of people. "Under the term work force or work capacity we understand the inclusion of physical and mental capabilities which exist in the embodiment, in the living personality of a person, and which he places into motion every time he produces any type of utility values."(30)

As was already stressed, people do not function as productive forces in isolation from each other, but only within the work process, under social production relationships (31) which, in their specific form, are, of necessity, also shaped by technological conditions of production.

Under socialism, the modern production process requires socialist community work. With scientific-technical progress, the workers set themselves tasks which transcend the capabilities of individual producers and

which can only be solved through joint effort. The complicated problems can only be solved in planned and organized collectives of specialists, technologists, engineers, economists, scientists, and others in which the knowledge and ability of all meaningfully augment each other. The work of the individual worker is rendered in a collective, in a planned organized production process in which there is a division of labor. The worker can, in other words, either not achieve most of the work results at all or would require a longer time to do so. "This is not only a matter of raising the individual productive force through cooperation, but of creating a productive force which must, in and of itself, be a mass force."(32)

Accordingly, where people cooperate in work this is not simply a sum of the individual productive forces, but a new, a social productive force which arises from the social collaboration which takes place in production. Of course, the social productive forces cannot exist outside of the individual productive forces. The latter are the carriers of social productive forces although changes in the character and content of work and in the methods of social collaboration among people in the work process lead to sizable changes in the opportunities at the disposal of individual productive forces to further develop their characteristics. This becomes clear with the development and introduction of key technologies. "In other words, social productive forces are the result of individual productive forces and the result of the type and method of collaboration between people which leads to a specific utilization of the human character and to specific forms of its unification."(33)

Which of the forces and capabilities of society are to be considered social productive forces? Primarily, emphasis must be placed on the combination of work on a large scale, or rather the social collaboration of people in the work process. Individual moments of the type and manner of collaboration and, thus, of social productive forces include the social division of labor and the coproduction of work, the concentration and specialization of production which are connected with it. These forms of the socialization of work objectively demand the organization of social production processes.

With socialist economic integration, the field of social cooperation in science, technology, and production is extended to the socialist community of states which, in turn, results in increasing the degree of effectivity of social productive forces. These processes embody the development and dialectical reciprocity between productive forces and production relationships. On the one hand, the cooperative character of the work process becomes a technical necessity through the utilization of machine systems inherent in modern large-scale production.(34) On the other hand, the social content of these processes is determined by prevailing production relationships which are themselves specific sides of the production relationships as economic relationships. Another social productive force with a high degree of effectivity is the continuity of production. Marx proved

that interruptions in the production process "are completely incompatible with the operation of a large-scale modern industry." (35) Under today's conditions of the achieved volume of the inventory of production machines, given the high performance capabilities of the machines and installations and the degree of complexity of existing equipment and facilities as well as the comprehensive intensification of production, continuity of production is a social productive force to a far greater extent. Today, unnecessary unplanned interruptions of the production process not only lead to the loss of individual machines and aggregates, but of entire machine systems, complete installations, and enterprises. This means high economic losses. Furthermore, it is imperative that available production equipment—particularly high-capacity machines and installations—be subjected to optimum utilization. The obsolete organization of production, superannuated production means susceptible to serious breakdowns, long repair times, disproportion between the capacity of individual sectors and departments of an enterprise, bottlenecks in the parts flow, lagging material supplies, poor work discipline, and many other factors lead to reducing the continuity of production assets. All of this makes the high and continually growing responsibility of managers and all workers for a low-disruption production process very clear since this "continuity is in itself a productive force of labor." (36)

The technology of production exerts a great influence upon the level and growth rate of labor productivity and upon the entire system of productive forces. The "creation of the real wealth" of society depends to a significant extent upon "the progress of technology." (37) The technology of production signifies the objective collaboration between man and the means of production in the formation of work objects into a product or component in accordance with scientific-technical laws of production. This primarily technical side of the production process always anticipates economic considerations in order to facilitate rational and economic production. The total technological process, just as the majority of technological procedures are aimed at reducing the effort in live and embodied work, at the renovation of production, at a higher product quality, a higher degree of beneficiation, at declining costs, and at rising labor productivity. "Technology uncovers the active behavior of man toward nature, the immediate production process of his life and, thus, also his social living conditions." (38)

Marx understood the science of technology to be "the conscious planned and systematically specialized application of natural science depending on the desired utility effect." (39) This decisive role of technology shows up in special concentration with respect to the key technologies of the scientific-technical revolution. These have their starting point in fundamentally new scientific findings, particularly in basic research. They lead to deep-seated changes in the total system of productive forces and represent the long-term determination of the

dynamics of productive force development, as well as transforming this development into a rapid rise in labor productivity, into economic and social efficiency. Technological principles and procedures are embodied in the means of production. The revolutionary role of the means of production is precisely the result of their inseparable interconnection with technological progress. For current and future development of the means of production it is characteristic that completely new means of production will arise, or that available ones will be further developed, particularly on the basis of qualitatively new technologies, a closer interconnection between new technological solutions and automation progress and an increased integration of material-, energy-, and information-altering processes in the various machine systems involved.

With the development of communal work processes, the management of social production processes became a necessary, productive, and relatively independent function of the social communal worker. The development of the socialist people economy is unthinkable without a system of management, planning, and economic stimulation which is commensurate to the developmental level of productive forces and the appropriate socialist production relationships and the constant perfection of this system. Under socialism, this system is both an objective production condition as well as representing a certain side of the production relationship which simultaneously has the character of a superstructure. These management relationships of production form an inseparable unit in practical terms. Socialist democracy permeates all sides of management; part of it is represented by the unity of active participation on the part of workers in management, collective consultation, and individual management. Socialist management is primarily to be aimed at mobilizing the creative strength of the workers and at effectively combining all factors of the reproduction process. The principal instrument with which the working class, under the leadership of its party in firm alliance with the other workers, directs the development of socialist society is the socialist state. Its most important means of consciously directing the economy and society is the plan. Management of production in the enterprise, in the combine, in the branch, sector, area, and throughout the people's economy is of a productive character as a production condition. (40) In so doing, it can stand "closer or further removed" with respect to the production process. (41) In accordance with its role, management can be designated as the nervous system of the people's economy, whereby character and goal of management are determined by the prevailing production relationships.

Closely connected with the growing role which science, technology, management, and organization play with respect to the reproduction process information is developing into a qualitatively new and integrated component of the reproduction process within the system of productive forces. Through information, its processing, storage, and transmission, significant production and efficiency

effects can be achieved in the application of embodied labor and through the use of production instruments. This is connected with several specialties of reproduction and the utilization of information. Where an item of information has been produced and where the requisite equipment is available for its processing and transmission, it can, basically, be made available and utilized by a random number of interestees without being consumed or having to be constantly reproduced—as is the case regarding the immediate moments of the work process. Information is not subject to any physical but only a moral wear and tear, although the latter can occur with extreme rapidity.

The substitution effects and the appropriate quality and conservation effects which can be achieved through information with respect to increasing efficiency and realizing a resource-conserving economic growth play an increasingly important role. These effects will increase still further with the development of information systems of artificial intelligence, with their capability to process and store knowledge (expert systems, knowledge banks, etc.). In this connection, a specific characteristic of information is important which separates it from the labor forces and means of production: the development of information is not subject to any natural barriers or resource limitations. Of course, its quantitative expansion, its qualitative perfection and utilization demands sizable social outputs—for example, the development of data networks and data banks.

The development of information as an integrating and decisive element of productive forces with respect to the efficiency of the reproduction process gives rise to other consequences with respect to the structure and function of the other elements of the productive forces, particularly the means of production, as well as organization and management of the reproduction process. Within the system of the means of production and objects of production, complexes which serve to process, transmit, and store information are taking on increasing significance. This leads to considerable effects upon the structure of investments (among others, an increase in the share occupied by information equipment), as well as altered conditions for reproduction and utilization of basic assets. Within the system of productive forces, science,(42) technology, information, organization, and management are very closely connected with each other, penetrate each other mutually, and can, for the most part, only become fully effective in this interconnection. Their position within the system of productive forces is characterized primarily by the fact that they increasingly determine the level of the elemental components (man and means of production), that they become effective via the components of the productive forces and their rational combination, and that they are the source of the decisive impulses for the higher development, particularly for revolutionary changes, in the total system of productive forces. At the same time, these complexes are, in turn, based on elemental components of the productive forces and their constant perfection. Thus,

the growing effectiveness of science as an immediate productive force—it permeates the entire system of productive forces on an ever-increasing scale—is based on the greater creative performance capability of man in scientific-technical work and assumes new means of production (research equipment) and work objects. The same is also true of technology, information, organization, and management.

In this connection, the Marxist division of productive forces of society into “productive forces of social work” and “general social productive forces” (43) is significant. Marx designates the actual producers and the means of production created by them as productive forces of social work. They are those forces of live labor and the results they achieve as embodied labor which are decisive for the production of material utility values. It is only and uniquely through them that the other social forces and natural forces can become effective as productive forces.

In the process of the scientific-technical revolution then, important changes in the system of productive forces are taking place, important changes of their elements and their relationships. Their effectivity is determined primarily by the fact that they are applied and developed comprehensively and in intimate interconnection with each other. The decisive criterion which determines whether true progress in productive forces in the interest of mankind is involved consists in raising labor productivity as well as the achieved economic and social effects in the interest of the further formation of a developed socialist society.

The productive forces of society are always to be viewed as a functioning total mechanism of the dispute between man and nature in the social work process. Since productive forces of society are differentiated into subjective and objective productive forces the basic structure of production factors (man and production means) becomes discernible. Division into individual and social productive forces facilitates reciprocal relationships between the characteristics of man as a principal productive force and the type and manner of social interaction between men. Under socialism, this reciprocal relationship achieves a fundamentally new quality since social ownership tends to unite the various enterprises and branches of the national economy into a unified whole.

Footnotes

1. E. Honecker, “The Tasks of the Party Organizations in the Further Realization of the Resolutions of the 11th Party Congress of the SED,” Dietz Verlag, Berlin, 1987, p 29.

2. Ibid., p 30.

3. For the concept “carrier of production relationships” see K. Marx and F. Engels, “Works,” Dietz Verlag, Berlin, 1956 ff, Vol 23, pp 16, 100.

4. See K. Marx and F. Engels, "Works," op. cit., Vol 42, pp 601 ff.
5. Ibid., p 591.
6. K. Marx and F. Engels, "Works," op. cit., Vol 23, p 54.
7. G. Stiehler, "On the Elasticity of Categories Involved in Historical Materialism," DEUTSCHE ZEITSCHRIFT FUER PHILOSOPHIE, No 7, 1977, p 781.
8. K. Hager, "Marxismus-Leninismus und Gegenwart" [Marxism-Leninism and the Present], Dietz Verlag, Berlin, 1986, p 33.
9. Ibid., p 34.
10. E. Honecker, "The Tasks of the Party Organizations in the Further Realization of the Resolutions of the 11th Party Congress of the SED," op. cit., p. 35.
11. We refer to a definition by W.G. Marachow, which he postulated in his book "Struktur und Entwicklung der Produktivkraefte in der sozialistischen Gesellschaft" [The Structure and Development of Productive Forces in the Socialist Society], with respect to productive forces (Dietz Verlag, Berlin, 1972, p 24).
12. See K. Hager, "Marxismus-Leninismus und Gegenwart," op. cit., pp 27 ff; G. Mittag, "The Tasks of the Party in Realizing the Economic Strategy Resolved by the 11th Party Congress of the SED," Dietz Verlag, Berlin, 1987, pp 26 ff; H. Koziolk, "Wissenschaft, Technik und Reproduktion" [Science, Technology, and Reproduction], Verlag die Wirtschaft, Berlin, 1981; collective of authors, "Die oekonomische und soziale Wirksamkeit des wissenschaftlich-technischen Fortschritts" [The Economic and Social Effectiveness of Scientific-Technical Progress], Dietz Verlag, Berlin, 1986.
13. K. Hager, ibid., p 28.
14. Ibid., p 29.
15. See G. Mittag, "The Tasks of the Party in Realizing the Economic Strategy Resolved by the 11th Party Congress of the SED," op. cit., pp 34 ff.
16. E. Honecker, "The Tasks of the Party Organizations in the Further Realization of the Resolutions of the 11th Party Congress of the SED," op. cit., p 34.
17. K. Marx and F. Engels, "Works," op. cit., Vol 23, p 194.
18. Ibid., pp 194 ff.
19. See E. Prager and E. Richter, "Software—Was ist das?" [Software—What Is It?], Verlag die Wirtschaft, Berlin, 1986.
20. K. Marx and F. Engels, "Works," op. cit., p 194.
21. The land is not only the object of work. As a means of production it shows variable results depending on climate and other conditions. The fertility of the soil is the foundation for any type of agricultural production.
22. The totality of the instruments of production, the "circulatory system" of production as well as the means of communication and control connected therewith represent the system of technology. Production-effective technology belongs to the productive forces of society.
23. G. Mittag, "Mit qualitativ neuen Schritten zu hoechsten Leistungen" [Toward Maximum Performances With Qualitatively New Steps], Dietz Verlag, Berlin, 1986, pp 58 ff.
24. With respect to objective and subjective components of productive forces, Marx writes: "...special types of production conditions (for example, livestock raising, agriculture) give rise to special production methods and special productive forces which develop both along subjective lines—that is to say, they appear as characteristics of individuals—or along objective lines." K. Marx and F. Engels, "Works," op. cit., Vol 42, p 403.
25. V.I. Lenin, "Works," Dietz Verlag, Berlin, 1955, Vol 29, p 352.
26. Tenth Session of the Central Committee of the SED, E. Honecker, "On the Preparation of the 11th Party Congress of the SED," Dietz Verlag, Berlin, 1985, p 35.
27. E. Honecker, "The Tasks of the Party Organizations in the Further Realization of the Resolutions of the 11th Party Congress of the SED," op. cit., p 69.
28. See K. Marx and F. Engels, "Works," op. cit., Vol 25, p 828.
29. "Report of the Central Committee of the Socialist Unity Party of Germany to the 11th Party Congress of the SED," reporter: E. Honecker, Dietz Verlag, Berlin, 1986, p 49.
30. K. Marx and F. Engels, "Works," op. cit., Vol 23, p 181.
31. Marx and Engels referred to the fact that "a specific method of production or a specific industrial step is always connected with a specific type of collaboration or social stage and that this type of collaboration itself is a 'productive force.'" K. Marx and F. Engels, "Works," op. cit., Vol 3, p 30.
32. Ibid., Vol 23, p 345.
33. W.G. Marachow, "Struktur und Entwicklung der Produktivkraefte in der sozialistischen Gesellschaft," op. cit., pp 104 ff.

34. See K. Marx and F. Engels, "Works," op. cit., Vol 23, p 407.

35. Ibid., Vol 24, p 283.

36. Ibid.

37. Ibid., Vol 42, p 600.

38. Ibid., Vol 23, p 393 (Note).

39. Ibid., p 510.

40. Referring to the productive character of direction, Marx writes: "The work of supervision and direction arise essentially everywhere where the immediate production process has the character of a socially combined process and does not appear to be the isolated work of the individual producer.... This is a productive task which must be carried out in every combined production mode." K. Marx and F. Engels, op. cit., Vol 25, p 397.

41. Ibid., Vol 23, p 531.

42. To an increasing extent, science is transformed into a productive force to the extent to which it makes a direct contribution to the development of other productive forces. It provides the most important impulses for the pace, quality, and efficiency of the development of productive forces. By having the working class and its allies take it over for themselves it becomes a decisive point of departure of social progress.

43. Capital as the "inherent absorber and acquirer...of the productive forces of social work and of the general social productive forces such as (for example—the authors) of science." K. Marx and F. Engels, "Works," op. cit., Vol 26.1, p 368.

05911

Academy of Agricultural Sciences Chooses New President

23000037 East Berlin DEUTSCHE

BAUERNZEITUNG in German No 42, 16 Oct 87 p 3

[Unattributed Report: "Werner Felfe Participates in Ceremonial Session of the Academy of Agricultural Sciences—Incumbent President Ruebensam Named Honorary President"]

[Text] By order of the Chairman of the Council of Ministers, Willi Stoph, Professor Dr Dieter Spaar was appointed President of the Academy of Agricultural Sciences of the GDR last Friday in Berlin. His predecessor, Professor Dr Erich Ruebensam, was made honorary president and Professor Dr Peter Rybka was named First Vice President of the Academy.

Among other noteworthy individuals from scientific institutions and other organizations, the following participated in the ceremonial plenary sessions of the Academy: Werner Felfe, member of the Politbureau and secretary of the SED Central Committee, as well as SED Central Committee members Professor Dr Hans-Joachim Boehme, minister for university and technical school affairs; Fritz Dallmann, Chairman of the Board of the Peasant Mutual Aid Association; Bruno Lietz, minister for agriculture, forestry and foodstuffs; and Helmut Semmelmann, Chief of the Agriculture Department of the SED Central Committee. Among the guests was Michael Koplanski, Chairman of the People's Chamber Committee for Agriculture, Forestry and Foodstuffs and Secretary of the Party Board of the Democratic Peasant Party of Germany.

Minister Bruno Lietz presented the ceremonial lecture. He paid tribute to the 36-year-old Agricultural Academy and its development into a high-performance socialist research institute, whose exemplary cooperation with the end users had made considerable contributions to the continuously improving harvests and achievements in the fields and stables. A great deal of credit, he continued, belongs to Professor Dr Erich Ruebensam for this good performance. In 1951 he had been appointed director of what was at the time the biggest agricultural research institute, the Muencheberg Institute for Agriculture and Plant Production. He brought it up to the level of an internationally recognized research facility. According to the minister, he provided strong leadership resulting in scientific work in soil fertility: "This created a scientific basis for priority development of plant production, one of the cornerstones of the SED's agricultural policy."

Bruno Lietz expressed gratitude to Professor Dr Erich Ruebensam for his fruitful leadership at the Agricultural Academy. He then handed him a document of appointment by the Council of Ministers, making him an honorary president of the Academy. Nineteen years ago, the same thing happened to his predecessor, Professor Dr Hans Stubbe, who also attended the ceremonial session.

In his expression of thanks, Ruebensam committed himself to continue placing his capabilities and experience at the disposal of agricultural science. He then handed his chain of office to his successor, Professor Dr Dieter Spaar.

The new president expressed appreciation for the confidence placed in him. He stated that further development of agriculture as a productive part of the economy and to convert it more comprehensively and more rapidly to a branch of the applied sciences requires that greater demands be made upon the Academy. The long-term R&D program for agriculture, forestry and foodstuffs until the year 2000, he continued, must be fulfilled in its

entirety. Crucial tasks in this respect would be the effective exploitation of natural resources, but also the maintenance and enhancement of their reproductive capabilities.

He pointed to the importance of concentrating upon the constantly improving utilization of social productivity in agriculture and related fields, so as to be able to fulfill the increasing workload despite a natural reduction in the number of workers. Another task he cited was to create a still closer tie between economic and ecological requirements, and to make increasing use of the results of local agricultural production. The president of the Academy encouraged agricultural scientists to engage in expressing disparities of views and to be in close contact with people engaged in agriculture, as well as with the scientific-technical center and consultant services. After all, said Spaar, what is important is to use key technologies for continued productive efficiency in agriculture, without neglecting the traditional areas of research.

Finally, Werner Felfe expressed the thanks of the SED Central Committee to the departing president, and its best wishes to his successor. In this connection, he paid tribute to the role of agricultural science in the comprehensive upgrading of the economy. He emphasized the fact that its mission and its responsibility for fulfilling agricultural and alliance policies had never been greater. Now it is important, he said, to produce results which can be put to use quickly and which could facilitate an accelerated harvest and productivity growth during the present decade. He assured the scientists of continued support to agricultural research on the part of the party and the state.

Biographic Data

The life of Academy President Dieter Spaar as a comrade, scientist and leader bears the imprint of our socialist society. He was born in Salza, Thuringia, on 21 September 1933.

After finishing his secondary education and while studying biology in Jena, he was accepted at the Timiryasev Academy in Moscow in 1953. Comrade Dieter Spaar approached this appointment with enthusiasm. In his mentor, Professor Dunin, he found a teacher who was as strict as he was understanding. The experienced Soviet researcher brought out a burning interest for plant virology in the young GDR student. That was the field in which Dieter Spaar received his doctorate in 1958.

During the following 10 years, from 1959 until 1970, he occupied responsible positions in the state secretariat and the Ministry for University and Technical School Affairs. Working at the same time as associate professor for plant protection and phytopathology at Berlin's Humboldt University, he provided an entire generation of students with the knowledge they would need for their eventual practical occupations. In 1970 Professor Spaar

was appointed director of the Institute of Pythopathology Aschersleben of the Academy of Agriculture. Under his leadership at that time, there occurred the development of serologic diagnostic methods with enzyme-marked antibodies (ELISA), which were suitable for resistance testing, for the purpose of reliable detection of the presence of plant-pathogenic viruses. These methods were responsible for a firm diagnosis of the potato leaf curling virus for the first time. Among other things, the close collaboration between the Aschersleben Institute with seed and planting association of state enterprises led to the availability of virus-free vegetable and fruit seedlings.

Concentration of effort on economically significant research tasks, as well as close cooperation with other scientific institutions, with industrial enterprises as well as with the LPG [agricultural producer cooperative] and the VEG [state farm], are today considered prerequisites for successful agricultural research in our Republic.

As a full professor at the Academy for Agricultural Research since 1972, Professor Spaar occupied a critical position for agricultural research in the GDR as director of plant production research, as vice president and, since 1984, as first vice president of the Academy. He contributed significantly to the elaboration of the "Long-Term R&D Program for Agriculture, Forestry and Foodstuffs Until the Year 2000." This program serves to determine complex research procedures, particularly for key technologies, and further to enhance research cooperation so as to arrive at new basic solutions. He had always been particularly interested in international cooperation, especially in collaborating with the Lenin Academy of USSR Agricultural Sciences and with scientific institutes of the CEMA countries. Since 1978 Professor Spaar has been a member, and since 1983 Chairman of the Council of Agricultural Scientists, a part of the Standing Committee on Agriculture of CEMA.

More than 300 publications to date bear witness to the new Academy president's professional productivity.

Since 1982 Professor Doctor and Honorary Doctor Dieter Spaar has been a Non-Resident Member of the Lenin Academy of the USSR and a Member of the GDR Research Council. In 1987 he received an honorary doctorate of the Humboldt University of Berlin. He has been decorated with the Patriotic Order of Merit and the National Prize Medal.

9273/08309

HUNGARY

Continuing Restrictions on Foreign Trade Discussed

25000086 Budapest NEPSZABADSAG in Hungarian
19 Dec 87 p 7

[Interview with Professor Tamas Bacskai, department chairman at Karl Marx University of Economic Sciences, by reporter Zsuzsa Gal; date and place of interview not given]

[Text] We are rather sloppy in our choice of words when we say that next year any enterprise will be able to apply for, and gain, the right to engage in foreign trade; in other words, that any enterprise will be able to trade independently. Actually this right is limited considerably: to begin with, it applies to foreign trade denominated in hard currency; moreover, it applies merely to one direction of such trade—to export. Import will remain restricted and will require a license, as before. Thus the enterprises will be free to sell for hard currency, without any limits on such sales; but they will not be free and unlimited in their purchases for hard currency. We interviewed Professor Tamas Bacskai, department chairman at Karl Marx University of Economic Sciences, on why this is so, and whether this solution is the right one.

[Question] To anyone unfamiliar with fiscal and monetary matters, the essence of exchange control seems shrouded in some mystical cloud. Would you explain how this system works?

[Answer] Of course. After all, it is no secret. Every exporting enterprise is obliged to offer to sell its total proceeds from export—in other words, all the foreign exchange it gets for its exported merchandise—to the Hungarian National Bank, which thus has a monopoly of foreign exchange. For its foreign exchange the exporting enterprise receives forints, at the current rate of exchange. And an enterprise wishing to import must first obtain an import license from the Ministry of Foreign Trade or its successor. The enterprise is able to buy the foreign exchange it needs to pay for the import only if it has an import license. Thus the authorities control foreign exchange.

[Question] What warrants the retention of central exchange control?

[Answer] Those who are clinging to exchange control are convinced that the nation's balance of payments can be kept in equilibrium only in this manner. Incidentally, central exchange control is much older than one would think. It was introduced in mid-1931 and has been in force ever since. Practically the only difference is that the Hungarian National Bank also issued the import licenses in the 1930's, whereas today the import-licensing authority is the Ministry of Foreign Trade. But strict exchange control is not achieving its purpose. For, as you very well know, we have not always been able to maintain balance-of-payments equilibrium even so.

With Whom Is the Account Maintained?

[Question] To my knowledge, balance-of-payments equilibrium is not being achieved because the Hungarian enterprises are not producing exportable goods in sufficient volume, and they need that much more import for their output. Can this situation—i.e., the country's balance of payments—be improved through better exchange control? Can these phenomena be influenced with the tools of fiscal and monetary policy?

[Answer] They can be influenced, of course. However, fiscal and monetary tools alone would hardly be sufficient for this purpose. But monetary and fiscal methods are also an approach to enhancing our ability to export, as well as to appeasing the hunger for import. The most elementary step, in my opinion, would be to let the enterprises maintain foreign-exchange accounts with commercial banks. Because the situation today is that the enterprises may have forint accounts with commercial banks; but whenever the enterprises export, import, form joint ventures or conclude barter deals—in other words, whenever they have any business relations which involve foreign exchange—they have to turn to the authorities.

[Question] Does it make any difference with whom the enterprise maintains its foreign-exchange account?

[Answer] It does. Procedures could be simplified, there would be less red tape, and it would also be a meaningful change if all the financial services for an enterprise were provided at one place. For the past 18 months, the enterprises have been free to choose the bank with which they wish to maintain their forint account. Operating these accounts is business for the banks, and therefore the commercial banks have been competing with one another for customers. If the commercial banks were allowed to offer the enterprises also foreign-exchange accounts, in addition to forint accounts, then this competition could help the enterprises to additional export. Consider an example. An enterprise is exporting, say, pear brandy to Switzerland. If the shipment is invoiced in foreign currency, the proceeds are now remitted to the Hungarian National Bank. And with that the deal comes to an end, because the Hungarian National Bank is a government agency, and not a commercial bank. But if the foreign trading partner were to transfer the foreign exchange due for the pear brandy to a Hungarian commercial bank, this would create a business relationship between the bank and the foreign importer. And then this business relationship could lead to further deals.

[Question] How? And whose interest would that serve?

[Answer] The next time the foreign partner might want to import not pear brandy but, say, apples. He would ask the commercial bank to recommend a source of supply, at a reasonable price. If the bank finds a cooperative farm or state farm willing and able to ship in accordance with the foreign customer's requirements, then a new deal will be concluded. And if the deal goes through, the foreign partner will have more confidence in the bank. He will remember also in other instances that there is this Hungarian bank which gave him good service. Thus there will be additional business opportunities. All this is in the bank's interest, because it earns a fee on the deals. And it is also in the bank's interest to find business opportunities for the Hungarian enterprises, because then they would do all their banking with this bank, and not with some other commercial bank. Which again means more business for the given bank. In other words,

if the commercial banks were able to offer the Hungarian enterprises also foreign-exchange accounts, this would make for somewhat more lively business relations, and optimally the commercial banks would be competing with one another to solicit business for the enterprises that maintain their accounts with the banks. And this would not even require the lifting of exchange control.

Drawbacks of Import Licensing

[Question] But this would contribute only marginally toward the expansion of export and the improvement of our balance of payments, which is the main objective of economic policy, specifically of consolidation. What other fiscal and monetary measures could be adopted to this end?

[Answer] Strict central exchange control does seem to be the most reliable way of keeping the balance of payments in hand. But I am convinced that the balance of payments would improve specifically as a result of relaxing exchange control. For today the enterprise that may buy foreign exchange and import is not the one that operates successfully in the market and has money as a result, but the one that is issued an import license and is allocated foreign exchange, on the basis of some consideration or other. Of the many drawbacks of import licensing, I will single out only two. A serious drawback is that this way the enterprises are unable to perceive directly the price and value changes taking place in the international market. And if they cannot perceive the changes directly, then they are not really able to adjust to them. Conversely, if they perceived the changes directly, they could better adjust to them. The other drawback is that the agency in charge of exchange control—be it the Hungarian National Bank or a ministry—can never be in a position to objectively compare the relative justification of the applications for foreign-exchange allocations, from individual players in the economy or from individual industries. It is difficult for a central agency to judge what may be the more important: to import, say, some replacement part for a hotel's elevator, or packing materials for the suitable packaging of some product?

[Question] But if not this way, then how could the import-license applications be evaluated and ranked in the order of their importance?

[Answer] On the basis of how the businesses operate. With the help of market forces. By making foreign exchange available to whoever is able to use it the most effectively. To the successful enterprises and the promising industries.

[Question] There are rumors to the effect that eventually the exporting enterprises will be allowed to retain a proportion of the foreign exchange that they earn. Is this what you have in mind?

[Answer] No, because I do not regard that as expedient. It would be difficult to distinguish between enterprises that export, and the ones that respectively do not export and export indirectly. And it would hardly be a solution to let one group acquire foreign exchange freely, while the other group has to apply for foreign-exchange allocations. After all, the enterprise that exports the final product, and thereby earns foreign exchange, would be unable to do so without the inputs of its suppliers. Consequently, such an artificial distinction would not lead to allowing the aspects of economic efficiency prevail.

Keeping the Half-Dead Alive

[Question] But our foreign debt is huge, and the enterprises' and consumers' hunger for import unappeasable. How can the two be reconciled? How can the country's solvency be maintained if exchange control is relaxed?

[Answer] Any product's supply and demand can be balanced by means of its price. This applies to foreign exchange as well. In other words, more relaxed exchange control presupposes an exchange-rate policy under which Hungary's aggregate demand for foreign exchange will be in balance with its aggregate supply. This obviously would require the forint's large-scale devaluation. Such a one-time devaluation would be worthwhile, in my opinion; because then a sound, self-regulating mechanism could be put in place. Import would become considerably more expensive, and rational import substitution could begin. For if users and consumers obtain both the domestic and the foreign products at real prices, then they will carefully consider which one to choose. And if they find a domestic product that is a relatively suitable substitute for a foreign product, they obviously will not choose the more expensive import.

[Question] Assuming, of course, that there are suitable substitutes?

[Answer] Specifically the real prices and a realistic policy on exchange rates would make this possible. For it would be obvious which import substitutes are really worth producing. Thus the choice would be in favor of importing whenever it would not be economical to substitute a domestic product for the import. Under a real exchange rate, then, exchange control could be lifted without any deterioration in the country's balance of payments.

[Question] Would not such a measure be too risky? And what if the economy does not react in this manner?

[Answer] It would not be without risk. But as the development of our balance of payments indicates, central exchange control is not free of risk either. Incidentally, a method can also be envisaged under which the foreign exchange would be auctioned off. In other words, foreign exchange would be open to bidding at a certain rate, and whoever offers the most forints for it would get the foreign exchange. Thus the market's judgment, and

not government agencies, would decide, whereby producers would be forced to operate more efficiently. This is another example to show that only those producers ought to export who can do so economically.

[Question] But many enterprises today have high production costs and are exporting uneconomically. If uneconomical export becomes impossible, might not that pose the danger of a series of enterprise failures?

[Answer] I do not think that the enterprises would go bankrupt, because any enterprise that produces uneconomically and exports at a loss is in fact already bankrupt. Such enterprises are still able to exist and operate only because the state budget is financing their losses. Next year's budget earmarks 150 billion forints in subsidies for enterprises. If this amount were earmarked not for artificial respirators to keep the half-dead enterprises alive, but for the production structure's modernization—in other words, if only the enterprises that are the vehicles of progress were subsidized, which incidentally would be in accord with the government's avowed intention—then what we outlined already in 1977 would sooner or later become reality: a production structure could evolve that is adjusted to the requirements of both the world market and the domestic market. Not from one year to the next, of course, but gradually.

Full Employment or Overemployment?

[Question] But this line of reasoning disregards those who now are drawing their pay from the enterprises doomed to bankruptcy. Are you not afraid of the unemployment that would result?

[Answer] In my opinion, this question is completely exaggerated in our country. Just like when we cut out a small paper figure, hold it up against a light, and then watch its magnified projection on the wall, rather than the paper figure itself. What we have in Hungary is overemployment, rather than full employment. And everyone's living standard must suffer as a result: the attendance fee known as wages is actually being financed by those whose contribution to the output is greater, but whose wages are relatively much lower. Many people are working only because the family would be unable to make ends meet with only one pay envelope. Why can't the redundant employees be shed in production, and the money saved be used to raise wages? And why can't we put a welfare safety net in place to provide for those who would be adversely affected? This way there would be a labor supply that could solve, with 4 to 6 hours of employment a day, the labor shortage in services, particularly in domestic trade. Because if someone undertakes to work 8 hours a day, then he or she must be at work for 8 hours and does not have time to attend to the household and the children. But if the same person takes a part-time job requiring only 4 hours a day, he or she would be receiving higher wages than at present, but only for work actually performed. Then the problems of the

individual, and those of the collective and of the national economy as well, could be solved more sensibly than at present. Spending on day nurseries and kindergartens, for example, could be cut.

[Question] How would you begin to remove exchange control? With the forint's devaluation?

[Answer] The forint should not be sharply devalued immediately, because then the prices of consumer goods would rise. What I have in mind is gradual devaluation, whereby it would still be possible for a time to obtain imports at prices lower than their real prices. Even a small rate of devaluation would have a favorable effect on the economy if it were accompanied by a relaxation of the import restrictions: this would deter from import the enterprises unable to buy the foreign exchange because they are not profitable enough. This way, in small steps, we could reach in about 4 years the forint's real exchange rate. In other words, the point where the allocation of foreign exchange would no longer be necessary, because the foreign exchange would cost the enterprise as much as it cost the state.

Wiener Schnitzel in Vienna and Budapest

[Question] Does this mean that you agree with the forint-devaluing exchange-rate policy Hungary is pursuing?

[Answer] Not entirely, because that policy is not accompanied by the removal of exchange-control restrictions. For I do not regard administrative curbs on import as our way out. That is like giving a pneumonia patient only aspirin, which will relieve his fever but will not cure the disease. The way out, in my opinion, lies in the expansion of export. But if export expands merely by allowing the enterprise to earn more forints—for that is the impact of the forint's devaluation at present—then the uneconomical export will still remain profitable for the enterprise. Hence devaluation alone is not a cure-all.

[Question] What would be a cure-all, in your opinion?

[Answer] Devaluation plus something else: allowing capital and labor to flow where they can be used the most effectively; and where capital and labor already exist, having a management that can put these resources to their best possible use. I do not believe in a single cure-all. Exchange control is a part of economic policy, one of the questions in conjunction with the economic mechanism's development that can be solved successfully only together with all the other questions.

[Question] Don't you think that the forint's gradual devaluation would affect our tourist industry adversely? That we would be too cheap to tourists? Or should we perhaps restore temporarily the forint's dual exchange rate: the commercial rate and the tourist rate?

[Answer] We might have acted too hastily when we unified the dual exchange rate, yet I would not regard its restoration as expedient. It might seem that we are too cheap to Western tourists. But let us admit that Hungary's appeal as a tourist attraction is not so great that we could retain the tourists' interest even in the case of higher prices. Although a Wienerschnitzel is perhaps much cheaper in our country than in Vienna, but there it is made of veal, bigger than the plate, and served in a matter of minutes. And if the guest happens to use the restroom, he will not find any unpleasant surprises there. We now have to wait and see what impact the introduction of VAT will have on consumer prices, because at present nobody knows for certain just what that impact

will be. If the consumer and catering-industry prices rise, then we will no longer be such a bargain, and it will be unnecessary to think about restoring the forint's dual exchange rate.

[Question] But we will probably have to ponder long the way to improve our balance of payments. What you have said on this subject is also a part of that cogitation. Today many fiscal and monetary experts are expressing similar views. Perhaps the frankness and the convergence of their views will bring us closer to a solution.

1014

16

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated. Those from English-language sources are transcribed, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names which are rendered phonetically or transliterated by FBIS/JPRS are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in 8 volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Africa (Sub-Sahara), Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications generally contain less time-sensitive information and are published periodically. Current JPRS publications are listed in *Government Reports Announcements* issued semi-monthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcovers or microfiche) at no charge through their sponsoring organizations. DOD consumers are required to submit requests through appropriate

command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.) For additional information or assistance, call FBIS, (703) 527-2368, or write to P.O. Box 2604, Washington, D.C. 20013.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. New subscribers should expect a 30-day delay in receipt of the first issue.

Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.