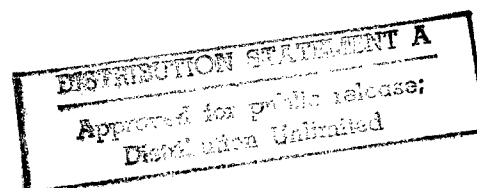


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East Europe Report



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23 January 1986

EAST EUROPE REPORT

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ECONOMY

CZECHOSLOVAKIA

BRATISLAVA REPORTS ON 5-YEAR PLAN PROGRESS

LD141113 Bratislava Domestic Service in Slovak 1730 GMT 13 Dec 85

[HOSPODARSKE NOVINY editor commentary]

[Text] It is natural and it does not need to be repeated that our party and whole society give enormous importance to the 5-year plan to the advancement of electrical engineering. The entire growth of our national economy is closely tied to the development of electrical engineering and electronics. This is why the task of the 16th CPCZ Congress was to increase the volume of production of electrotechnical industry by 40-50 percent.

Although the unfavorable development at the beginning of the 5-year plan gave rise to some pessimism, today the rate of growth is approaching its upper limit. It is a fact that the CSSR electrical industry has fulfilled the tasks of the Seventh 5-Year Plan in adjusted net output as soon as by 30 October 1985, and by the end of the 5-year plan goods to the value of Kcs6 billion will be produced above the goal set by the congress.

Exports to socialist countries are also being fulfilled in accordance with the plans.

Unfortunately exports to nonsocialist countries will not be met. Here the poor plan fulfillment in 1981-82 is playing a role.

The natural sector of the Slovak Socialist Republic was given goals which were not small. It can, however, be said that the situation in the Slovak Socialist Republic is generally favorable. Supplies to the stock of consumer goods will be overfulfilled by approximately 2 percent. Also, the sector fulfilled its objectives with regard to the export to socialist countries by 30 (?June) 1985. Unfortunately, as in the CSSR electrical industry, in Slovak industry the fulfillment of the plan of exports to non-socialist countries is lagging. With regard to volume, the tasks were fulfilled in September 1985 but the main target--efficiency of exports--was not reached.

The significance of efficient exports perhaps does not need to be emphasized. In addition, as Comrade Lubomir Nemec, deputy minister, said at the recent meeting of the communists of the Ministry of Industry of the Slovak Socialist

Republic, we cannot be satisfied in this sector also with the rate of R&D progress. Comrade Gustav Husak also emphasized the need to advance faster in science and technology at the 16th session of the CPCZ Central Committee and said that in our whole national economy space must be made for the advanced technology and up-to-date equipment. This is the way to achieve high technical standard for our products so that we will be able to be more successful in the foreign markets.

/6091

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ECONOMY

CZECHOSLOVAKIA

GOVERNMENT, TRADE UNION PRINCIPLES ON PLAN PARTICIPATION

AU110701 Prague RUDE PRAVO in Czech 29 Nov 85 p 5

["Full text" of the "Principles of the CSSR Government and Central Trade Union Council on the Participation of the Working People in Creating, Realizing, and Overseeing the Fulfillment of the 5-Year Plan and Annual Executive Plans for Economic and Social Development"; first paragraph is RUDE PRAVO introduction]

[Text] In the past few days, the Presidium of the CPCZ Central Committee has discussed the Principles of the CSSR Government and the Central Trade Union Council [URO] on the Participation of the Working People in Creating, Realizing, and Overseeing the Fulfillment of the 5-Year Plan and Annual Executive Plans for Economic and Social Development. The new principles follow on from the experience acquired from a similar document for the Seventh 5-Year Plan. They constitute a package of measures to create more scope for working people to participate in the management of production. They are another step toward ensuring that everyone at his workplace has an adequate opportunity to influence the operation of production.

There follows the full text of the principles.

One of the most important prerequisites for the effective development of the national economy, and thus for better satisfying the needs of the working people, is to make full use of our people's wealth of experience, creativity, abilities, and talents. Only in this way can we make increasing use, in fulfilling the planned tasks for economic and social development, of scientific-technological findings, including competent management methods, and ensure that the required changes in the structure of production are introduced more quickly. The consequence of this will be a further improvement in product quality and the elimination of shortcomings in the structure of the range, while at the same time reducing demand for raw and other materials, energy, investments, and transportation, and the molding of the working man's consciousness in accordance with the demands of socialist society.

In order to make fuller use of the abilities and initiative of the people, it is necessary, above all, to organize their active participation in creating, realizing, and overseeing the fulfillment of the economic and social development plans, which are the main instruments for the implementation of the CPCZ's economic and social policy. An effective form of

organizing this participation is, in particular, the method of counterplanning, in organic linkage with the implementation of the principles of intra-enterprise economic accountability [khozraschet], when the planned tasks and allocations are broken down for work collectives, and remuneration depends on the way they are ensured and fulfilled. This increases the working people's sense of responsibility for the economic and social results that are being achieved in the course of the fulfillment of the work collective's social mission. A well worked out intraenterprise khozraschet is also the basic prerequisite for the further intensification of the brigade method organizing work and remuneration, which links plan tasks, allocations, and conditions to the work of individual employees [pracovnici] and encourages their fulfillment.

In order to integrate the procedures of national, economic, and trade union agencies in organizing the working people's participation in creating, realizing, and overseeing the plan, the CSSR Government and the URO have determined the following principles on the basis of Article 15, Paragraph 4 of Law No 145/1970 on national economic planning and the CSSR Government's resolution /indistinct word/ on the Main Directions of the Further Development of the Set of Measures for Perfecting the System of Planned Management of the National Economy:

I. The Participation of the Working People in Creating the Draft 5-Year and Annual Executive Plans

1. The central agencies (Footnote 1) (For the purpose of the principles these are the central agencies of branches [odvetvove], regional national committees, the Prague City National Committee, and the Bratislava City National Committee), together with the relevant trade union agencies, will ensure the integrated procedures of the national, economic, and trade union agencies in preparing drafts of the economic and social development plans. For this purpose they will adopt joint political-organizational measures and a mandatory schedule establishing deadlines for work on the plan draft documents in such a way as to create pragmatic and time-related conditions for the working people and trade union agencies to participate actively at all levels of management. At the same time this schedule must provide for an adequate timeframe, that is, at least 8 weeks, for working out and assessing the draft economic plans in organizations, with the direct participation of the working people's collectives. The above agencies must also create conditions for the concurrent preparation of drafts of collective agreements in accordance with the valid principles (Footnote 2) (The principles of the CSSR Government and the URO applying to the conclusion, content, and control of collective agreements approved by the CSSR Government's resolution No 255/1985).

2. Within set deadlines the tasks and allocations of both the 5-year state economic plan and the directives for the elaboration of the draft annual state plan for economic and social development will be broken down by the central agencies for the economic production units and directly managed organizations. Together with the relevant trade union agencies, the central agencies will announce the main directives for the development of the working

people's initiative and the socialist competition toward which their initiative should be oriented in the specific conditions of the sector in question.

3. The tasks and allocations for the elaboration of draft economic plans will be broken down in a differentiated way by the agencies of middle-level management for subordinated socialist organizations (hereafter "organizations"). At the same time, middle-level management agencies, in agreement with the relevant trade union agency, will determine specific procedures for planning work in accordance with the set deadlines and the manner of acquainting the working people with tasks in drafting the economic plan. They will break down for their own conditions the main directions of the development of the initiative of the working people and of the socialist competition announced by superior agencies.

4. Organizations will break down the set tasks for intraenterprise structures and individual worksites, and, in cooperation with the enterprise (or plant) committees of the Revolutionary Trade Union Movement [ROH], will acquaint the working people with them. In the interest of elaborating a quality draft of the economic plan, they will jointly organize production consultations at which they discuss specific tasks of the draft economic plan in order to hear the working people's meaningful [rationalni] suggestions and recommendations aimed at uncovering unused resources of all kinds. At the same time, they will ensure that working conditions are improved, negative influences of the working environment on the health of the working people are eliminated, and that the norms of social equipment of the work collectives and their further justified needs are fulfilled and satisfied. At the same time, they will also announce the main directions for the development of the working people's initiative in order to concretely orient work collectives toward adopting and exceeding the plan's quality indexes, above all as regards achieving the further growth of labor productivity, improving the quality of production, reducing costs, increasing the savings of fuels, energy, and metals, and reducing the labor-intensiveness of production and services. In addition, they will orient the efforts of work collectives toward ensuring the utmost acceleration of the modernization of production by speedily introducing the results of science and technology into practice. For this purpose they will apply the tried and tested forms of initiative of the working people, such as the pledge movement, the movement of the brigades of socialist labor, the comprehensive efficiency brigades, the movement of inventors and improvers, the organized [usmernovane] plans for thematic tasks, the ZENIT movement [youth movement's drive promoting technological innovation], personal and collective creative plans, and so forth.

5. The trade union agencies at all levels of management will adopt a standpoint on the drafts of the economic plan elaborated on the basis of suggestions and recommendations submitted by the working people and their aktiv of functionaries. To get the opinion of the trade union agency, the relevant agencies of economic management must submit in time for discussion a comprehensively elaborated draft of the economic plan prior to its being submitted to the superior body. The standpoint of the trade union agency is an integral part of the draft economic plan. In a standpoint, the trade union agencies

will assess the conditions for the working people's active participation in creating the plan and express their opinion on the draft for ensuring the national goal-oriented programs, and the overall effectiveness of the submitted draft plan and its individual components; of these, they will express their views in particular on the draft plan for performance, the development of science and technology, the replacement of long-term assets, work and wages, social security, environmental protection, the plan of personnel and social development, and the financial plan, while paying particular attention to reducing material costs and to the growth of labor productivity.

6. When working out draft plans, central agencies, the agencies of middle-level management, and organizations will make use of meaningful suggestions and recommendations contained in the standpoints of the relevant trade union agencies. The national and economic agencies have a duty to respond in writing within 30 days to a trade union agency corresponding to their level (Footnote 3) (The economic and national agencies reply in writing to standpoints on the level of:

(--a plant--to an ROH plant committee,

(--an organization--to an ROH plant (or enterprise) committee,

(--an agency of middle-level management--to an ROH regional committee,

(--a regional national committee, Prague City National Committee, Bratislava City National Committee--to the regional trade union council, Prague Trade Union Council, Bratislava Trade Union Council,

(--central agencies of the Czech Socialist Republic and the Slovak Socialist Republic--to the Czech Committee of the Trade Union Federation, the Slovak Committee of the Trade Union Federation,

(--central agencies of the federation--to the Central Committee of the Trade Union Federation).

Following mutual agreement, they will inform plenary meetings of higher trade union agencies and conferences and membership meetings of the ROH how the suggestions and recommendations have been used. In the event that a trade union agency holds a different opinion on the draft plan or does not agree with some parts of it, point 29 of these principles applies.

7. In the period following the submission of the draft economic plan to the superior agency, central agencies, the agencies of middle-level management, and organizations will inform the relevant trade union agencies about all fundamental changes in the draft plan and seek their opinions.

8. The participation of the ROH agencies in the discussion of the social development plan is regulated by the principles of the planned management of cadre, personnel, and social development, approved by the CSSR Government.

II. Participation of the Working People in the Implementation of Counterplanning

9. One of the fundamental forms by which the working people participate in management is the method of counterplanning, which is aimed at tightening the qualitative tasks of the plan. Its objective is to mobilize and utilize the abilities, knowledge, and experience of the working people in order to uncover internal unused resources in the interest of achieving national goals. It is to be implemented in all sectors and the centerpiece is in organizations and their internal structures.

10. Counterplanning is implemented within the framework of the resources, allocations, and restrictions determined by the plan, with a view to the rational valorization [zhodnocovani] of them and achieving a more efficient replacement process. It is thus mainly oriented toward qualitative aspects of development, and in particular toward reducing demand in the production sector for materials, energy, and imports, improving the quality and convenience of products, the growth of profitable production lines for both export and the domestic market, and the systematic growth of labor productivity. The epitome of all the above improvements in quality indexes is the increase in adjusted value added or other index constituting the basis for the regulation of the development of wage resources. If the adjusted value added is increased by reducing material costs, then only that increase that is proportionately projected into higher profit may be considered as counterplan. If the adjusted value added is increased by increased production or performance, it is regarded as a contribution of counterplanning only when the following things are simultaneously proposed:

a) In industrial branches, a corresponding increase in deliveries for export to the USSR and the nonsocialist countries, for the domestic market, or increased receipts from the population (in local industry and in production cooperatives); increasing output for production consumption or for creating inventories ready for sale is to be assessed in the sense of the last paragraph of this point (as regards inventories in cooperation with the Czechoslovak State Bank), the prerequisite for recognition in the counterplan will be a contractual assurance of this production's sales; the fulfillment of prerequisites will be assessed in an annual analysis of how economic activities are being run;

b) In agriculture, an increase of desirable, contractually ensured deliveries for the food industry, domestic market, and export;

c) In construction production, the observance or improvement of the prescribed index regulating the number of unfinished projects;

d) In the remaining branches, increasing good performance determined by the superior agency.

For this purpose, organizations, agencies of middle-level management, and central agencies will specify ways to achieve the proposed tightening.

11. Counterplanning will be organized as follows:

a) In the first 2 years of the 5-year plan as the tightening of the annual executive national plan in annual plans of organizations and agencies of the middle-level management until it has been confirmed by the superior level of management (usually in February of the plan year);

b) In the following years of the 5-year plan as the tightening of the 5-year national plan for the appropriate year (possibly as the tightening of the directive to the annual executive national plan) in drafts of annual plans of organizations and agencies of middle-level management (as a rule in September of the preceding year). (Footnote 4) (The still valid exceptions to that deadline [agriculture, construction, food industry] remain in effect.)

12. For tightening the plan of adjusted value added or other index constituting the basis of regulating the development of wage resources, the organization is provided an incentive by being accorded full entitlement to wage resources, according to the established rate. For increasing a plan adopted after the deadline set in point 11 of these principles, or for exceeding it, organizations are accorded entitlement according to the reduced rate. The rate expressing the ratio between the increment of wage resources and the increment of the adjusted value added is not being cut in realization. [sentence as published] A preferential rate might be set for the counterplanning stage.

13. The central agencies, in agreement with the relevant trade union agencies, will determine for the agencies of middle-level management and the organizations managed by them, the orientation of counterplanning and specific forms of material incentives. At the same time, they will ensure the introduction of the method of counterplanning into intraenterprise structures and its linkage to intraenterprise khozraschet and remuneration.

14. Material incentives connected with counterplanning, when the determined principles and conditions are observed, are considered mandatory on the understanding that the principle that those receiving advantages, or sanctions are specifically designated is consistently observed.

III. Participation of the Working People in the Implementation of the 5-Year Plan and Annual Executive Plans

15. The central agencies and the agencies of middle-level management, in accordance with the set deadlines, will break down in a differentiated manner the tasks and allocations of the national 5-year plan and national annual plans for the development of the national economy for the organizations. In order to ensure common procedure in the implementation of the plan and collective agreements, they will make use of the joint deliberations with the relevant trade union agencies, at which they will discuss the sociopolitical content of the assumed tasks and how they are to be fulfilled and overseen.

16. Organizations--following up on the tasks and allocations of the 5-year plan--will break down in a differentiated manner the tasks of the annual plans all the way to the intraenterprise structures and individual workplaces. They will make use of the joint deliberations with the relevant trade union agencies to implement the plan tasks and collective agreements. They will ensure that the working people are informed about the set tasks, including the conditions of material incentives. In the current period they will organize the pledge movements and other forms of working people's initiative, they will utilize progressive and improved methods of work, including the brigade form of organizing labor and remuneration. They will create conditions and win the working people for uncovering internal unused resources, with a view, especially, to reducing the production sector's demand for energy, raw and other materials, enhancing the quality and reliability of products, and the more rapid introduction of the findings of science and technology in practice. In the course of the implementation of the economic plans they will regularly inform the working people about the fulfillment of the plan's tasks in respect of deadlines, about shortcomings that arise, and they will mobilize the working people to eliminate them in accordance with adopted measures.

17. In the interest of the assertion of the intensification factors of growth, the agencies of middle-level management and organizations will intensify khozraschet relations and principles in management. They will place particular stress on perfecting intraenterprise khozraschet as the fundamental prerequisite for directing, organizing, and assessing the contribution of the socialist competition and increasing the merit principle in the economic results that are being achieved in the growth of production efficiency and quality.

18. In cooperation with the relevant trade union agencies, the agencies of middle-level management and organizations will implement only such forms of initiative as yield tangible results, and they are responsible for seeing that individual forms of competition and working people initiative, are not carried out by command and mechanically, without regard to the specific conditions and needs of the organizations. They will perfect the cooperation of the research, development, and other organizations with scientific research institutes and institutes of higher learning in order to help the ties between production and science successfully fulfill the plan's quantitative tasks. At the same time, they will orient research and development worksites toward speeding up the development of new products and the technological preparation of production. They will ensure the conclusion, realization, and overseeing of the fulfillment of combined socialist pledges, including the combined international socialist pledges aimed at finishing capital investment projects and putting capacities into operation within set deadlines and technological-economic indexes, at improving supplier-user relations and satisfying the needs of foreign and domestic markets.

19. The central agencies, agencies of middle-level management, and organizations may submit to the relevant trade union agencies for their opinion, proposals for changes in the economic plan in the course of the year, which

they may in exceptional cases carry out, provided that they observe tasks, allocations, and norms set by the superior agency. Trade union agencies will draw the attention of superior economic and higher trade union agencies to instance when plans of organizations that are not achieving results set by the plan are being amended to the detriment of organizations that are well managed. At the same time, they will also see to it that changes in the plan are incorporated in the form of amendments into collective agreements and that socialist pledges are defined. In the event that the trade union agency does not agree to the change in the plan, point 29 of these principles applies.

IV. Participation of the Working People in Overseeing the Fulfillment of the 5-Year Plan and Annual Executive Plans

20. Within the framework of their management activity, central agencies and agencies of middle-level management will create conditions, and organizations ensure that the fulfillment of plans and the running of activities are consistently overseen with the broad participation of the working people and in a close cooperation with trade union agencies. With joint measures they will create material and time prerequisites which enable working people to collectively assess the results that are being achieved in the fulfillment of production-technological, economic, and social tasks, and proposals for solving problems. The measures will also set plan indexes which economic agencies will submit to trade union agencies to be checked.

21. It is the joint task of the national, economic, and trade union agencies to ensure concurrent supervision of plan fulfillment and how activities are run, including observance of socialist legality, and of work and technological discipline in all organizations, plants, and workshops. When organizing the semiannual and annual public reviews of the fulfillment of collective agreements, overseeing the fulfillment of the tasks of economic plans and social development plans must be stressed, together with the assessment of the working people's initiatives. The overseeing must be organized in such a way that it encourages the working people to actively solve the problems connected with the fulfillment of the plan and uses their suggestions and recommendations in order to reveal unused resources in the interest of successfully ensuring all plan tasks.

22. Overseeing plan fulfillment must be oriented above all toward ensuring an even fulfillment of tasks in accordance with the planned directions of social utilization (particularly exports and deliveries to the domestic market), increasing efficiency, quality, and thrift. The progress of the realization of the tasks of the plan for technological development must be regularly assessed, as must the increase of the proportion of products of a high technological-economic standard in the overall volume of production, the development of losses resulting from poor production, the utilization of fixed assets, the reduction of the consumption of raw and other materials, energy, and fuels, the reduction of the share of human labor and overtime work, and other costs. Fulfillment of tasks in realizing state goal-oriented programs, programs of comprehensive socialist rationalization, in capital construction, and in the area of seller-user relations must be assessed.

23. In order to ensure systematic supervision of the fulfillment of the plan for personnel and social development (Footnote 5) (This applies to the relevant part of the plan for cadre, personnel, and social development) more attention must be paid to the issues of working conditions and environment--particularly work safety and health protection at work.

24. The economic and trade union agencies will ensure that the working people are thoroughly informed--in the case of production consultations monthly and of ROH membership meetings and conferences quarterly--about the achieved results and also about the failure to fulfill the tasks and maintain the allocations of the economic plans and plans for personnel and social development. They will ensure that proposals for resolving ascertained shortcomings are submitted. These should include drawing specific conclusions about those who fail to fulfill their tasks.

25. Analyses of economic activity will have the active participation of trade union agencies--particularly when it comes to the assessment of the working people's initiative, the fulfillment of collective agreements, plans for personnel and social development, the fulfillment of thrift measures, and so forth. The trade union agency will discuss the analyses that have been carried out, together with proposals aimed at improving economic activity, and will adopt a standpoint on them. A representative of the trade union agency will attend the final procedure [rizeni], at which he asserts this standpoint. It is the joint task of organizations, middle-level management, and the relevant trade union agencies to make sure that the working people are acquainted with the results of the annual analysis of how activities are run and with the adopted corrective measures, which will be broken down for all sectors in which shortcomings were ascertained, including the way in which they are dealt with.

V. Final Stipulations

26. These principles have been drawn up by the central agencies together with the relevant trade union committees, regional national committees, and the Prague and Bratislava City National Committees with regional trade union councils, and the Prague and Bratislava Trade Union Councils, who will ensure through joint measures their implementation in the specific conditions of branches in the production and nonproduction spheres.

27. The principles will be implemented in all agencies of economic management, organizations, and national committees.

28. These principles will be applied as appropriate in the sphere of special technology and in the economic production organizations of the Federal Ministry of the National Defense while observing the relevant stipulations relating to the safeguarding of state, economic, and official secrets.

29. Contradictory standpoints of trade union agencies on draft economic plans, on changes in annual economic plans, and on analyses of economic activity will be resolved by the superior national or economic agency after the matter has been discussed with the relevant higher trade union agency.

30. The central agencies, together with the relevant trade union agencies, will review how the principles are being fulfilled, in connection with the assessment of annual results of plan fulfillment in the branches; while the agencies of middle-level management and organizations together with the relevant trade union agencies, will do so, at the same time as they carry out their analysis of economic activity.

31. The principles will go into effect the day they are published. At the same time the principles approved by the CSSR Government Decision No 401/1980, published in the Law Code under No 14/1981, are rescinded.

/6091

CSO: 2400/118

ECONOMY

CZECHOSLOVAKIA

BRIEFS

JAKES TOURS OSTRAVA STEEL PLANT--During his working visit to Ostrava, Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee, today toured a steel-making plant and medium-light section mill in the Klement Gottwald New Metallurgical Works. He briefed himself there about the fulfillment of the production program and about preparations for the Eighth 5-Year Plan. [Text] [Prague Domestic Service in Czech and Slovak 2300 GMT 13 Dec 85 LD] /6091

LI PENG VIEWS NUCLEAR POWER PLANTS--Li Peng, deputy chairman of the PRC State Council, and his entourage paid a visit to the enterprise, Atomic Power Plants Bohunice, in Jaslovske Bohunice today. He toured generating plants and inquired about the overall economics of their activity. He was briefed about the work of the nuclear power plants which were built thanks to exemplary Czechoslovak-Soviet cooperation and which are the most reliable segment of Czechoslovakia's power system. [Text] [Prague Domestic Service in Czech and Slovak 1300 GMT 17 Dec 85 LD] /6091

SHIP FOR USSR--Pula--On Saturday at the "Uljanik" shipyard the seventh in a series of eight special ships that this Pula enterprise is building for "Sudoimport" of Moscow was launched. This ship, the 29th that "Uljanik" has produced for the Soviet customer, carries the name "Sovyetskaya Belorossiya" and is intended for the transportation of passengers, freight cars and automobiles on the Caspian Sea between the ports of Baku-Krasnovodsk and Astrakhan. The next-to-last of a series of eight identical vessels is 155 meters long, 18.3 meters wide, and has a capacity of 3,000 tons. It is powered by a 4,350 kw main engine manufactured by "Uljanik." With this launching the "Uljanik" collective celebrated the 129th anniversary of its existence in the best possible manner. [Text] [Zagreb VJESNIK in Serbo-Croatian 15 Dec 85 p 3] /9604

CSO: 2800/123

ECONOMY

HUNGARY

BUDAPEST INDUSTRIAL DEVELOPMENT POLICY REVIEWED

Budapest MAGYAR HIRLAP in Hungarian 7 Nov 85, Supplement p 5

[Interview with Zoltan Koteles, secretary of the Budapest Party Committee, by Istvan Matko: "I Haven't Forgotten That I Once Was Director"]

[Text] Debates about development policy are taking place in official and private circles, and this is understandable, indeed it is a good thing. It indicates the activity of society and of a person that he who is interested in laying a good foundation for the future is inclined to take part responsibly in this. One of the central themes of the debates is management, or rather industry, and concerns what is worth developing, what should and what should not be developed. Considerable experience about these questions has accumulated in the Budapest Party Committee. We talked about this with Zoltan Koteles, secretary of the party committee and a National Assembly representative.

[Question] I recommend that we narrow the circle, for your work suggests the capital as the subject of investigation. Do developmental questions have special aspects here?

[Answer] Let us start from the number one priority, from the fact that the chief requirement continues to be preservation of the foreign economic balance. And so convertible export is fundamental. And this is also a measure of which products the world market recognizes. If we look at how export measures industrial performance and what we must do in the interest of more effective export then this will provide the number one selection requirement. One can find two main groups in the export structure within Hungarian industry; one is metallurgy and the chemical industry; the other is the machine industry and light industry. More than half of our export comes from the first group. If we remove from the several products the support and withdrawal components--an approximate calculation of this sort was prepared recently--then it turns out that the larger part of our export comes from that product group which contributes less, percentage wise, to the GDP--the national total product [or, Gross Domestic Product]. The contribution of the second group, the machine and light industry group, is three times as much, but its export share is less. The direction for selective development is given--we must create a better environment for the branch with a higher degree of processing, for the processing industry. We must provide an environment

which serves renewal of the product structure, an increase in investment and, altogether, gives an impetus to the branches.

[Question] An interesting approach. Could you make these ideas concrete in regard to Budapest industry?

[Answer] The processing industry ratio is high in Budapest. Let us stick with convertible export; the capital accounts for about 40 percent of the export of the processing industry. Indeed, if I narrow this down to the machine industry then Budapest's share is more than 50 percent. It follows that everything which pertains to these branches must be given special attention by our party committee. To return to the original theme, those branches must be put into a more advantageous situation which can provide, with their export, a greater increment for the GDP. According to this the textile clothing, instrument, machine and mechanical equipment, and communications engineering and vacuum technology industries are in the best position. And let us say that ferrous metallurgy and petroleum processing are at the other end of the line, with a much smaller yield.

[Question] Public opinion generally makes a different classification today; there are branches of industry which export, but not economically, and there are those which sell very economically. Calculations show, in regard to the products of the processing industry, how uneconomical they are, but from what you say it appears that the fate of the industrial branches can--or must--be measured and decided by another method.

[Answer] The contradiction you mention derives from the fact that in general people judge not the product groups but rather the combined enterprise results, and these are frequently distorted for real or imagined national economic interests by forced supports and withdrawals or by the ratios of the market relationships. But if we remove these effects the picture may be clearer in regard to which branches should be developed. Because of the balance requirement of the budget there is a high degree of centralization of enterprise incomes today; it moves somewhere around 70 percent on the average. Unfortunately the greatest centralization is precisely in the processing industry branches; it is above 80 percent in the machine industry and in light industry. And if we want more export from these, the more efficient branches, then obviously we must develop an economic environment in which the situation of these branches will be more favorable for development. It is difficult to agree with the position that we must take from where there is something to take! In the long run the best thing would be to help the more efficient to the detriment of the less efficient.

Product development requires purposeful technical development activity. But obviously fundamental structural change cannot be imagined without investments. There is something we always forget about; we must develop not only the products but also the technology for product manufacture, because the world market pays only for the socially necessary work, the socially necessary work as measured on the external market. If we spend more on production--because our technology is bad or our manufacture is not automated--then they will not pay for this extra expense.

As for Budapest, there are unique viewpoints here. The problem of our capital is that there are 30,000 fewer workers than jobs. So one viewpoint for development has to be to give the advantage to and develop intensively in Budapest those branches which are less work intensive, that is where manpower can be replaced by technology. In the final analysis if we cannot solve manpower supply for some activity in the capital then it must be relocated. There are resolutions decades old on this. These have had results but--largely for material reasons--not nearly so great as we would like. The Ministry of Industry has a draft to carry out the resolutions of the Political Committee and the Council of Ministers in which what must be done has been formulated. There is also already a compilation of enterprise intentions, which of course does not agree with the central decisions on many points.

[Question] This is a delicate area. How can one begin with this conflict?

[Answer] Enterprise interests now clash with national economic interests. As I see it a good program could be forged to harmonize the interests. It will not be easy, but I am not a pessimist. The government has a program for the development of economically backward areas. What would be most economical would be if the relocations from Budapest and the development of backward areas were brought together, combining the moneys for the various goals. The task could be carried out with much less pain, more cheaply and--last but not least--in accordance with common interests by using the combined resources.

[Question] This affects the Seventh 5-Year Plan too. So let us return to selective development. For example, can the selection affect individual areas?

[Answer] There is no finished program and so it is rather difficult to give an opinion. But it already appears that the large presence of the textile industry must be moderated in Budapest. The tools here cannot be operated reliably even for one shift, not even to speak of multiple shifts. A contrary example: It seems obvious that the manufacture of products requiring much intellectual work should be concentrated in Budapest. Many branches of the machine industry are like this, from machine tool manufacture to electronics. But there is another factor in the capital too, the environmental protection factor. Why should we manufacture artificial fertilizer in Budapest? In addition, this is very demanding of transportation. Highway transportation uses the already crowded Budapest roads and bridges and pollutes the air. Highway transportation causes 60 percent of the air pollution. So we would reduce air pollution too if we ended manufacture of such products. There are also activities which should be reduced for city planning or water and energy supply reasons.

[Question] These ideas betray that preparatory work is being done in the Budapest Party Committee which is linked to national planning work. What sort of opinions were precipitated in connection with preparation of the Seventh 5-Year Plan?

[Answer] We must start from the fact that we are continually evaluating the 1985 situation. Six months ago we made a basic analysis; the Executive Committee held talks with the directors and party committee secretaries of 60 enterprises, and we compiled the experiences of these. This was necessary in

order to draw conclusions from them--how were the party organizations performing their economic aiding and controlling activity, what were they concentrating on. Unfortunately we already know that--despite the efforts--Budapest industry will not fulfill its export plan this year, even if it will be better than the national average. A few of our problems which had been piling up for years "exploded" in 1985--for example because of the well known lag in investments or the forced postponement of import needs. A few of the regulator elements did not help capitalist export unambiguously either. Sometimes these increase the already existing shortfall in enterprise performance. It was also a warning sign that significant divergences appeared between the central expectations and the enterprise plans in the machine industry. Of course, it was not only transitional factors but also the world market which had an effect on the 1985 situation. Despite the fact that there were various measures and supplementary undertakings the enterprises have not been able to make up the shortfall. Guidance and the enterprises are making use of the experiences, but after such a 1985 base Budapest and the country see clearly that they must prepare for the fact that the Seventh 5-Year Plan will start amidst more difficult circumstances. There was a great debate about the development of the interbranch and product structure. And we came back to what we have talked about already, there is a need now to lay a better foundation for implementation of the Seventh 5-Year Plan, to create a favorable economic environment, for example for the processing industry. So what is most important is that we cannot delay with the realization of selective development.

[Question] In conclusion permit me to ask a few personal questions. There are rather few careers in which somebody went from engineer to politician, from militant enterprise director general to political worker.

[Answer] It is true, the 31 years I spent at Orion were determining in my life. This was my first place of work, I traveled the path from beginning engineer to director general. It was there that I became a public life person. After that I worked 3 years as a deputy minister. The years in the Ministry of Industry were useful; my assignment gave me the opportunity to review the electronics branch and all of industry and to get to know economic guidance. So when I was elected secretary of the Budapest Party Committee--after 5 years of party committee membership--I did not have to get to know this area especially. As for the militancy, I feel that I am still a fighter and that I am fighting for the same goals. It is a fact that I have not been able and am not able to forget that I worked in the area of enterprise and economic guidance. While I study the matters of the economy today primarily with respect to their social effect, I always also think, How might these things be carried out? What tools do the ministries have, how might one direct the incentive force of the regulator system, etc. And it is never out of my thoughts--if an enterprise director gets a task, how will he react to it. And sometimes I also see what the loophole will be....

[Question] Do you often visit Orion?

[Answer] I have visited Orion several times since working in the party committee. I would like to go more often. I have to visit other factories too, so I have to divide up my time carefully. In addition I have gathered quite a

few functions in the course of the years. I am proud that I was elected a National Assembly representative and of the fact that I work as a member of the capital council. And I would not like to break my link with the OMFB [National Technical Development Committee], where I am a plenum member, or with the Scientific Association of Communications Engineering, or with my old profession. I would find it difficult to live and work without contact with old friends.

[Matko] Thank you for the interview.

8984

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ECONOMY

HUNGARY

ECONOMIST ON NEED TO RECONCILE BUSINESS, LABOR INTERESTS

Budapest FIGYELO in Hungarian No 46, 14 Nov 85 p 3

[Interview with Tamas Sarkozy, Karl Marx Economics Science University, by Gabor Karsai: "Partners of the Administration"]

[Text] "We must develop a method and a mechanism to coordinate the interests, bringing various interests to the surface, expediting their better coordination, at the same time ensuring the priority of the general interest," states the resolution of the 13th congress of the MSZMP. Gabor Karsai asked Professor Tamas Sarkozy, a professor in the economics and legal faculty of the Karl Marx Economics Science University, about the possibilities of interest representation.

[Question] At the time of the intellectual preparation of the reform of the economic guidance system, much was said about interest differences within a socialist economy. But the necessity of interest representation bodies has come into the forefront of interest only recently. What might be the reason for this?

[Answer] First we must clear up the concept of an interest representation organization. Interests were always represented--even in the plan directive system. Not only interest representation organizations specialized for it but also bodies with fundamentally different functions deal with interest representation. Enterprises, for example, are involved primarily with management but in addition, naturally, they also represent interests. And the branch ministries, as the founding organs, also represent the interests of the enterprises, let us say vis-a-vis functional organizations, in addition to their guidance work. The law understands by interest representation only the activity of others, primarily of organizations specialized to defend the interests of their members, and these are only now beginning to develop in Hungary.

In the heyday of the traditional plan directive system we could hardly speak about specialized economic interest representation; the federations of the cooperatives, artisans and small merchants are basically mid-level guidance organizations, indeed some of them carried out partially authoritative functions; and at the state enterprises, understandably, there was no such organization. An interest representation organization appeared in Hungary in

the 1960's in the sphere of agricultural producer cooperatives. The idea of the 1968 economic reform raised the possibility of interest representation in the state sector as well, but saw the solution primarily in an expansion of trade union rights. After 1968, as a result of this idea, trade union rights and later the institutions of factory democracy reached an outstanding level in Hungary, even by international standards. This statement is true even if practice in some places fell below the possibilities offered by the regulations.

But the disadvantage of this solution is that the interest of the enterprise, as an organization, cannot be identified with the interests of the employees of the enterprise, not to mention the fact that even within an enterprise the workers and the leaders have very different interests. According to the idea of the 1968 reform the trade union represents the interests of the employee collective vis-a-vis the enterprise leadership considered as having been delegated for economic guidance. The design of the collective contract expresses this "dual" enterprise alignment, and this was legitimized in the 1977 state enterprise law. Even in the 1970's the Hungarian Chamber of Commerce was a state administrative body with national authority which dealt only in an informal way with representing the interests of state enterprises. The change in the state sector was produced by the deliberate separation of enterprise management and state administration, by the appearance of the new self-governing enterprises.

[Question] How would you characterize the essence of these changes?

[Answer] As is well known the legal foundations for the new self-governing state enterprises were created in 1984 and by the end of 1986 it is expected that about 80 percent of the enterprises will be transformed into enterprises with an enterprise council or an elected leadership. Two conclusions derive from this. The separation of the enterprise leadership and the enterprise collective will end at the self-governing enterprises, the leadership will become directly the organ of the collective. Obviously in this situation we will have to review the forms of factory democracy thus far and the rights of the trade union and bring them into agreement with the self-government character. If we do not do this after the trade union congress with a conceptual modification of the Labor Code then there will arise a parallelism making effective operational enterprise leadership even more difficult. This could hardly be a social goal. In the second place, the state administrative guidance of enterprises will end at the self-governing enterprises, to be replaced by legality supervision, with an authoritative character, and as a result of this the earlier--deformed--enterprise interest representation by the ministries will be vacated. At the same time, the state enterprises which have become independent will need interest representation vis-a-vis public administration. The Hungarian Chamber of Commerce must provide this function.

[Question] Do you consider the recent provisions modifying the status of the Chamber to be essential?

[Answer] Extraordinarily so. The Chamber was changed, as a social organization, from a state administrative organ with national authority into an interest representation organ not only for its members but for every state

enterprise. This is independent of the fact that, naturally, the Chamber provides more services for its members and of the fact that, on the basis of the principle of open and voluntary membership, not only state enterprises but also cooperatives, for example, can be members of the Chamber. In the state sector the Chamber has become the representative of the employers, not only in international respects but domestically as well. It is very important to see that the Chamber does not represent the enterprises vis-a-vis the state. For these enterprises are state enterprises and the Chamber is a state organ because it was founded by the state--independent of its social character. Partial interests clash here and are reconciled with partial interests within the state; the interests of state public administration are one thing and the interests of state enterprises, as undertakings, are another; and the interest representation by the Chamber evens out the authoritative preponderance of public administration. I think that we have gone only half way in developing the rights of the Chamber--despite the undisputed achievements--and that they will be expanded further. A political-economic strengthening of the Chamber could transform the entire structure of economic guidance; the present government (ministry)-trade union bilateral interest coordination would become three-sided, because the Chamber would enter as representing enterprise interests. In a number of questions which up to now the trade unions settled with the ministries, the Chamber will be their partner in the future.

[Question] Would it not be more correct to speak of many sides? For example, the administration will have to consider the interests of the cooperatives or the independent small undertakings as well.

[Answer] You are entirely right, I was speaking of a triangle only within the state sector. The enterprise sphere also has uniform interests vis-a-vis the regime's state administration. From this viewpoint I consider the coordination of interests and the cooperation which developed earlier between the cooperative interest representation organs and the Chamber to be especially significant. But the federations of the artisans and small merchants should be purged of the authoritative or middle level guidance aspects which still exist more or less today, and their self-governing character should be strengthened, thus strengthening their interest representation prestige as well. I am informed that regulatory measures can be expected in this area in the near future. At the same time it is obvious that because of the difference in the economic strength behind them the weight of the various economic interest representation organs cannot be the same in regard to the state administration.

[Question] This brings up the question of which would be more advantageous, to have a number of organizations, better reflecting the multiplicity of interests but weak individually, or to have one or two strong interest defending organizations?

[Answer] There is a need for the proliferation, differentiation and integration of interest representation organs. It is obvious that economic guidance is incapable of conferring in a worthy manner with an excessive number of interest representation organizations. So in the case of national interest representation organizations I feel it would be more effective if they created special branches within their own organization and carried out

internal interest coordination. But among associations of a local character, having practically no contact with central guidance, I consider a proliferation of the number of organizations desirable--in any case, this process has begun already. Earlier--correctly for the time--social mass movements also provided room within their frameworks for interest representation activity deviating from their main profile. Thus, for example, the Patriotic People's Front provided interest protection for consumers and a forum for enterprise leaders while the trade unions provided interest representation for some groups not having a work relationship (musicians, lawyers) or for pensioners. Probably a process of separation will start in this sphere in the future.

[Question] It is especially characteristic in a socialist economy that the representatives of individual partial interests try to present themselves as the depositories of the social interest. To what extent is the open avowal of partial interests accepted today?

[Answer] The uniform, self-governing operation of interest representation organizations, accepted by the membership, is possible only in the event of the open avowal of partial interests. We cannot expect the Chamber--for example, when it protests against the excessive centralization of enterprise incomes or the very rapid change in economic regulators--to say at the same time how the budget is to be balanced if its demands are accepted, because this is not its task. Of course, the government can also reject the demands of enterprise interest representation; the partner cooperation cannot mean a compromise or pseudo-agreement in every question. The socialist state must defend the interests of society as a whole. The state leadership, the political leadership and the party are called on to integrate interests. And the national economic interest means priorities too--advantages necessarily involve disadvantages, objective foundations with subjective elements, an intermingling of organizational, group and individual interests. The justification for stressing something as a social interest can be judged in a completely well founded way only after the fact, with the passage of a longer time. The excessively monolithic, excessively administrative structure of the state made it necessary to "ideologize" one's own organizational or group interest as a national economic interest. This will gradually change as this decreases, with a more proportional structure of the economic organization of the state and a clear separation of state administrative and management-entrepreneurial activity.

[Question] What rights do you consider it necessary for the interest representation organizations to have?

[Answer] Today, as a result of historical development, it is most accidental what rights the various interest representation organizations have. I am not against differences, for it is natural that interest representation organizations with different significance and profiles should have different rights, but we must put an end to the lack of clarity, the inconsistency and the accidental character of this. The sphere of tasks of every interest representation organization includes discovering the interests, transmitting them, coordinating them and defending them. The rights in these areas must be discovered by an analysis of practical experiences and by further research

work on the basis of international comparisons. In my opinion the interest representation organs in general should be given only the right of expressing an opinion, not of coming to an agreement, vis-a-vis the ministries, for example in planning or in drafting economic regulators or regulations affecting their profiles. They should be informed about everything in time, making it possible for them to develop a position, but the decisions must be made by the political leadership--weighing the arguments of all interested parties--and at the state level by the National Assembly.

In addition there should be an unambiguous clarification of the concept of interest representation organization. Even now these organizations operate as social organizations or associations. I think that it will be necessary to distinguish primary interest representation from associations serving to fill free time or other civic goals and to separate it from such social mass movements as the People's Front or the trade union, which also carry out interest representation tasks but which are more comprehensive than interest representation and which serve other goals as well. Today, for example, professional interest representation is hidden behind the association veil while the Chamber and the cooperative federations are social organizations. Perhaps it is not difficult to see that there is some difference between the Hungarian Lawyers' Federation and the circle of stamp collectors--at present both are associations.

[Question] Should not the trade union be regarded as an interest representation organization even in the narrower sense?

[Answer] On the basis of its present characteristics the trade union belongs among the social mass organizations, it carries out a number of comprehensive social tasks, such as operating resorts or labor protection. But even today its most basic function is representing the interests of employees, so it can be regarded as an organization with a mixed character. But I would dispute the position that the trade unions are also the representatives of the workers as owners, sharing in the "all people's" property, because within state property the government is called on to represent this at the macro-level, and the collective bodies determining enterprise strategy, thus the enterprise council, the general meeting and the delegates' meeting, are called on to do so in regard to the property rights transferred to self-governing enterprises.

[Question] Do you consider the present influence of the interest representation organs sufficient?

[Answer] Obviously not, but we are only at the beginning of the road on which we must progress gradually with the creation of the material and personnel preconditions. In a larger perspective it would be justified to create an interest representation law which would define the general frameworks for the exercise of interest representation rights. An organizational buttressing of interest representation autonomy would be useful too--after creation of the conditions. At present the appropriate branch ministry (for example, artisans or retail trade) or--and this is progress--the Council of Ministers (the cooperative federations, the Chamber) provide legality supervision of the interest representation organs. If we want the interest representation organs to have prestige vis-a-vis public administration then the Presidential Council

must provide state legality supervision for the most basic enterprise interest representation organizations. This is a precondition for a relationship of equal rank between public administration and interest representation. According to experience it would also significantly increase the prestige of interest representation if its leaders got important socio-political assignments. There has been some development in this area recently as well.

[Question] In an interview given to our paper (FIGYELO, 1945 [as published], No 40) the chairman of the plan and budget committee of the National Assembly raised the possibility of a bicameral national assembly in which the representatives of the various interest representation organizations would have a seat. Do you agree with this proposal?

[Answer] The rational nucleus of the idea is that our present system of representation is one-sidedly regional; the national list used in the last elections tried to correct this. It really is desirable for interest representation to play a greater role than at present in forming the political will. But a comprehensive constitutional modification would be needed to introduce a bicameral national assembly, and in my opinion this is only one of the several developmental possibilities which might be considered. In this area, too, there is need for more concrete research involving the technical possibilities.

[Question] At the beginning of the interview you mentioned that we should strengthen the self-governing character of interest representation. In practice, however, it is virtually unimaginable that in the event of the dissatisfaction of a cooperative, for example, it should leave the regional federation. Do you think it is possible to create parallel interest representation organizations?

[Answer] I do not consider it possible or desirable in the near future for two competing cooperative federations of the same type--as in your example--to function in one county. If the members are dissatisfied with the leaders of the federation then they can recall them and elect more suitable people. A cooperative can join the organization of the Chamber, too. But dividing up interest representation into little pieces I do not see as a viable idea.

[Question] But is there not a danger that minority interests will not be able to develop? Frequently, for example, the small cooperatives do not feel the regional federations to be theirs. And in the Chamber, too, the influence of the large enterprises is primarily the determining factor.

[Answer] I do not agree with this statement this way. The Chamber of Commerce represents the interests of state enterprises independent of their size. It is natural that the large enterprises are the determining factor in the Chamber, but this is also true from the viewpoint of the administration. That is, if this were not true, given the present Hungarian enterprise structure, then the Chamber would not have prestige before the government. It is another question that with the spread of small organizations greater scope must be given to the expression of their unique positions, in the Chamber in the case of state enterprises and in the cooperative federations in the case of small cooperatives. The small managing organizations can form interest defending-

coordinating societies, so-called associations, with a voluntary contract. Creating such communities would increase the weight of the small organizations.

[Question] One can feel a certain anxiety according to which the creation of the interest defending organizations or making them more independent will only strengthen conflicts by making ill founded demands public. To what extent do you consider this realistic?

[Answer] Recently, political position taking has reflected the correct recognition of the fact that bringing various interests to the surface improves political vision and can increase the creative strength of the many. But interest conflicts which are ignored will find a path for themselves through uncontrollable and distorted informal channels.

It is natural that one must get used to this new type of interest coordination, the lack of experience here is mutual. For example, the economic guidance organization whose daily work will be more difficult is hardly happy about such changes. But it is nearly impossible to decide without it, given the present level of technical development and social stratification. In the long run state economic guidance also will win with interest representation, because a strong interest representation system is part of the switch to intensive management and the development of socialist democracy.

8984

CSO: 2500/90

23 January 1986

ECONOMY

HUNGARY

ENERGY RESTRICTION MAY AFFECT POPULATION IN CRISIS SITUATION

Budapest HETI VILAGGAZDASAG in Hungarian No 46, 16 Nov 85 pp 12-13

[Interview with Sandor Komaromi, main department head of State Energetics and Technical Supervision of Energy Security by Endre Babus: "Domestic Prospects"]

[Text] What are the prospects for the consumers' energy supply now, at the beginning of winter in Hungary? Does one have to worry about more severe restrictive measures than last year? How large are the country's energy reserves? These, among others are the questions we asked Sandor Komaromi, main department head of the State Energetics and Technical Supervision of Energy Security.

[Question] It has been the government position in Hungary for many years that the possible energy limitations must not hurt the population. But news has spread in recent months that development of a new energy restriction system is moving full speed ahead in this country. It is possible that in this country too one will soon have to expect central limitations on private energy consumption?

[Answer] The systems currently in effect for electrical energy and natural gas limitation were prepared in 1962 and 1977, respectively, for the case of performance shortages caused by unexpected breakdowns in operation. At that time nobody had yet thought that energy limitations could take place for other reasons, namely that it may be necessary for financial and frugality reasons to decrease the energy demands with extraordinary measures. Since in this case there is no unexpected emergency situation involved, the possibility exists to significantly decrease the damages caused by reduced production. But limitations of this type call for regulations which differ in part from the current ones.

[Question] This is understandable, but is it exclusively the consumption of the enterprises which will continue to be restricted?

[Answer] For the time being the debates are still going on about the legal regulations for long-term energy restriction. According to the experiences abroad various ways are possible for bridging over the lengthier energy shortages. In Bulgaria and Romania, for example, private energy consumption is being restricted in order to assure uninterrupted production, while in the GDR and in Czechoslovakia the amount of energy the individual major enterprises may consume has been specified in terms of contingencies. Temporarily for this year Hungary has also introduced these latter measures: 80 large enterprises have been informed this year in advance how much energy they may consume. If an enterprise exceeds the contingency, it pays punitive rates. The events of recent months--thus first of all the problems in CEMA's international electrical energy system as well as the unusually cold winter--at the same time are also forcing us to design the new limitation system under preparation in such a way that it would also be valid in cases of major shortages. Therefore, for example, we must also prepare for limitations corresponding to 30 percent of the maximally available quantity of electrical energy--in terms of power plant capacity this is equivalent to 2,500 megawatts--and also for a shortage of a similar amount of natural gas amounting to 600,000 cubic meters per hour. But these would then be limitations of such size which would be increasingly difficult to implement by cutting back only on the consumption of enterprises. For this very reason my personal opinion is that our present limitation strategy must be reviewed under the effect of the pressing circumstances. We must face the fact that in extraordinary situations--and I emphasize that only at such times--it may be necessary to also partially limit the private energy consumption.

[Question] Do you mean by partial limitation that in extraordinary situations the residential consumers of certain parts of the country or of cities would also be disconnected from the energy supply like, for example, in Romania or in Bulgaria?

[Answer] The systems of limitation are not completely identical in the countries you mentioned. As far as we are concerned, due to the structure of our electrical energy system, it happens that in certain areas the consumers can only be mutually disconnected. Therefore the current limitation also affects the households, not only the enterprises, just like at the time of power failures caused by operational problems. On the other hand, natural gas limitations can occur only in cases of operational problems, such as when a pipe breaks, and this is because the amount of lost natural gas cannot always be made up. By the way, as far as the possible natural gas limitations are concerned, a more serious natural gas shortage could for example, force us to centrally decrease the temperature by ca. 2°C during the day and as much as perhaps 4°C during the night in those centrally heated apartments where the heating furnace operates on natural gas.

[Question] You have already mentioned several times that introduction of the new energy limitation system may become necessary in part because of the problems of the CEMA's electrical energy and natural gas

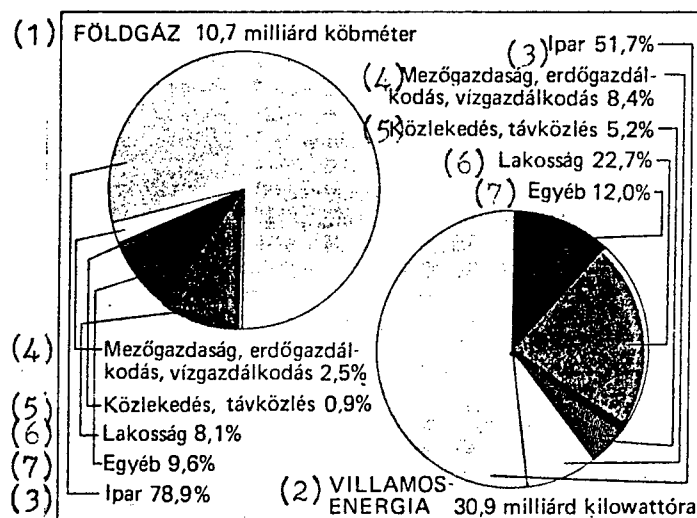
networks. But at the time of these investments the emphasis was on how the international energy management systems will make the energy supply economical, balanced and last but not least, reliable. But last winter at times as if the opposite of everything happened: because of overdrafts by some countries struggling with electrical energy shortages, the consumption in Hungary had to be restricted several times.

[Answer] I am convinced that the CEMA's international energy systems are basically advantageous to Hungary. But for a long time we did not mention that besides the significant advantages such an international system may also have disadvantages if, for example, the contractual discipline is not followed. At the present time the joint electrical energy network is really the example that it may hurt us in a sensitive area if other countries draw over the contractual amount. But power failure due to an operational problem can also cause a serious problem. The one on 5 July, for example, decreased from one instant to the next the electrical energy capacity available in this country by 30 percent: performance in the long distance international power lines decreased by 1,500 megawatts, and the current's frequency dropped from 50 hertz to 48 hertz. Because of this latter, one block of the Paks Nuclear Power Plant also shut down, and thus an additional 440 megawatts of capacity was lost. Perhaps this example illustrates how important it would be for the cooperating countries to observe the contractual discipline.

[Question] It would obviously decrease the danger of a lasting shortage of energy if the country had more significant energy reserves. After last year's shortage of the supplies how is the country's energy reserve shaping up this year?

[Answer] At this moment the gas storage facilities at Pusztaederics, Kardoskut and the one which was expanded this year in Hajduszoboszlo, are full. This means that at this time the country has almost twice as much natural gas reserves as at the end of 1984. At the same time our coal reserves are lower: for example, last September there was 241,000 tons of coal intended for sale to the population at the TUZEP [Fuel and Building Material Trade Enterprise] lots, while now, one year later they have only 43,000 tons even though in the meanwhile extraordinary efforts were made to increase the domestic coal production as well as the import.

Consumption Structure of Some Energy Sources in 1984, by Consumer Groups, in Percentages



Key:

- (1) Natural gas, 10.7 billion cubic meters
- (2) Electrical energy, 30.9 billion kilowatthours
- (3) Industry
- (4) Agriculture, forestry management, water management
- (5) Transportation, telecommunication
- (6) Population
- (7) Miscellaneous

Investments of the Energy Management Industry From 1976 to Today

Year	Energy management industrial investments billion forints*	Total industrial investments billion forints	Share of the energy management industry in the industrial investments, percentage
1976	14.2	59	24.2
1977	17.7	75	23.6
1978	20.0	80	25.0
1979	22.9	80	28.6
1980	23.8	70	34.0
1981	22.3	66	33.8
1982	23.4	69	33.9
1983	27.5	72	38.3
1984	29.7	74	40.4

* Combined investments of mining and of the electrical energy industry

Source: KSH [Central Statistical Office] yearbooks

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ECONOMY

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BUREAUCRACY THWARTS REHABILITATION OF GANZ-MAVAG

Budapest FIGYELO in Hungarian No 44, 31 Oct 85 p 1

[Article by Galina Lamberger: "Forced Paths"]

[Text] We can tie the beginning of the most recent economic difficulties of Ganz-MAVAG (GM) to the 1968 reform of the economic mechanism. At that time it became obvious that the enterprise--like other large enterprises--was producing uneconomically. The concrete causes of the unprofitability and the method of cure vary historically, but today the situation is made truly serious by the fact that there has not yet been the improvement in the situation expected from reconstruction costing about 10 billion forints, and the enterprise is again the beneficiary of a central aid action. What are the deeper causes behind the financial difficulties?

We must begin our investigation with the structural conditions of GM in the recent past. In the 1960's railway vehicles provided the decisive part of the production of the enterprise, the ratio of the other profiles was negligible compared to this, and the great majority of the products were sold on the socialist market. So the enterprise had a socialist market orientation and was tied to its chief market by a single product--4-part motor trains.

But for years--for decades--the socialist export was operating at a loss and the other marketing departments, or the other branches, were able to counterbalance this loss only temporarily. These are the conditions which represented a special disadvantage for GM in the 1970's--even compared to other large enterprises struggling with similar profitability problems. Today the situation has changed in that the significance of ruble accounting export of motor trains has decreased because of the increase in the weight of other markets and branches, although the central role of railway vehicle manufacture continues. The situation is worsened by the fact that for a long time socialist imports have forced the railway vehicles of GM off the domestic market.

The structural conditions include innumerable problems deriving from the gigantic size of the enterprise, problems which it is possible only to list in outline form: the bureaucratization of guidance, the strong centralization, the determining significance of direct plan directives in the relationship between the center and the factories, the organizational separation of the organically interrelated technical development and commercial production functions, and, last but not least, the unfavorable technical conditions for production.

The enterprise analyses in 1972 concerning the disclosure of internal management and market problems placed the emphasis on external environmental factors--the economic mechanism, the regulator system, etc.--but at the same time there developed a unique explanation of the internal problems, expressly composed for the external world--and primarily for the superior forums and organizations--in which the emphasis was placed on the unfavorable conditions of the enterprise: the historical circumstances of its formation, the biased neglect of enterprise investments, and the backward condition of enterprise machinery and buildings, not least of all the infrastructure, as a result of this.

The treatment of environmental and market factors as external persists even today; in the 1980's the competitive price system and the increase in interest burdens weighed on the enterprise. They plead the unfavorable effectiveness of capitalist business deals as an explanation for the deterioration in the economic situation, etc.

A reassuring settlement of the situation of the large enterprises was a political question at the beginning of the 1970's. The idea of the reconstruction of GM came up after the 1972 Central Committee resolution. The idea was based on the following logic: The enterprise is uneconomical because the conditions for production are unfavorable and its fixed assets are obsolete. The basis for an economical future is reconstruction, which would also create an opportunity for a transformation of the product structure in the direction of profitability.

This logic appears faultless, but life did not justify it, a fact which is explained by those forced paths which began to be taken at the moment the idea of the reconstruction of our "mired" enterprise came up. The original reconstruction ideas for the enterprise at the beginning of the 1970's centered around renovation of the completely used up infrastructure and the obsolete, dangerous buildings. It turned out, however, that the financial and structural difficulties of some large enterprises and the seriousness of the intention to set things right, when expressed in money, made probable investment sums many times greater than the enterprise dared think of originally. The KGM [Ministry of Metallurgy and the Machine Industry] would be "in for" the investment for the enterprise--to simplify a bit--just as it would be for the current supports with which the enterprise could keep itself on the surface. Superior forums decide about investment sums on the basis of definite conditions and requirements, among which the most important is giving preference to solutions providing long term guarantees.

All this has far-reaching consequences; the reconstruction became a public issue, it got into the "mill" of the decision making system, and finally became unsuccessful. It detracts from the responsibility of the decisionmakers that everyone knew that in any case GM would be the beneficiary of considerable investment possibilities.

Various reconstruction concepts took the place of the ideas aimed at creating the basic conditions for operation, and circumstances had a major effect on these ideas. An investment on the order of magnitude of 10 billion forints presumes a definite dynamism, so the concepts necessarily placed the emphasis on expanding production and increasing manufacturing capacity, so an extensive-expansive path was outlined. On the other hand, the idea had to give a reassuring answer to the major problems of the enterprise. Accordingly the 1976 proposal divided the basic burden between the railway vehicle

manufacturing branch and the machine manufacturing branch in such a way as to maintain in modified form the motor train export and it made a recommendation for large series production of products from a machine factory and (consequently) for Soviet export. The result of all this would be an evenly burdened, mass scale production with its own favorable profitability.

This is how the enterprise proceeded, in accordance with its own ultimate interests and the desires of the superiors, but in the meantime it fell into a trap; there was no study of whether the chosen strategy would bring an economical solution. The reality content of this plan is negligible, because it was based on presumed markets to a certain extent and not on real markets. The 1976 ATB [State Plan Committee] decision initiating the reconstruction was made on the basis of this plan, although every interested party was clear about the uncertainties. The plans which followed this (avoiding this error) contain the most general goals (for example, proclaiming modernization or changing the chief branch ratios in the 10-year development plan, etc).

The fact that the plans are prepared primarily for superior organizations and forums has further consequences. For example, that the obligatory inclusion in the calculation of the higher demands prompts the enterprise leadership in many cases not to reveal their true intentions, in order to increase the freedom of their own decisions. There is a practice whereby the enterprise apparatus preparing the plans has more contact with the supervisory organization and so the "expectations" have much greater effect on their thinking than the control coming from within (from below), the control which is the result of an interest coordination process.

While the submitted proposals place the emphasis on development of the machine manufacturing branch, proceeding in accordance with the expectations (and even resolutions), the railway vehicle branch, stamped as uneconomical, is "rescued" to the periphery (organizational changes are carried out to make the weight of the profile appear smaller statistically, as a result of which machine manufacture doubles while railway vehicle manufacture falls to second place). This "rescuing" of railway vehicle manufacture means really forcing it into the background later; the share of the branch in investments develops accordingly, as a result of which the branch today meets the needs of the world market only at the cost of great effort.

An outstanding role in the superior expectations is played by investment ideas which take into consideration the attitudes and especially the unique interests of the KGM; after these are "sewn in"--we are talking about several billions--they determine the investments. For a good while time has not justified the need for capacity which has been idle for years, and in addition the infrastructure draws away valuable sources from other branches of fundamental importance for the enterprise. And the investments determine the possibilities for the decades ahead.

The character of the process whereby sources are allotted represents a very important forced path; although the sums for reconstruction are approved, the money is assigned to it by "salami tactics", the enterprise feels out by means of a series of iterations how much money can go to it at the time of the next decision. The concrete plans must be adjusted to the allotment which develops in the course of the bargaining, and developmental goals felt to be important earlier must be abandoned. It is probable that some of the investment "holes" derive from this. The enterprise can only rarely be certain about how much money it has in pocket, but it also happens that it must "give back" money

already assigned (there are also after the fact increases in interest rates and changes in pay back conditions).

In addition to the above, it contributes to the failure of the reconstruction that sources are drying up, that there are bottlenecks. An analysis of the reconstruction process proves that despite the fact that seeking satisfactory solutions is in the interest of every link of the decision mechanism in the long run, the result develops contrary to the intentions, and in the final analysis the explanation of this is to be sought in the structure of the decision making system, which is embodied in the forced paths.

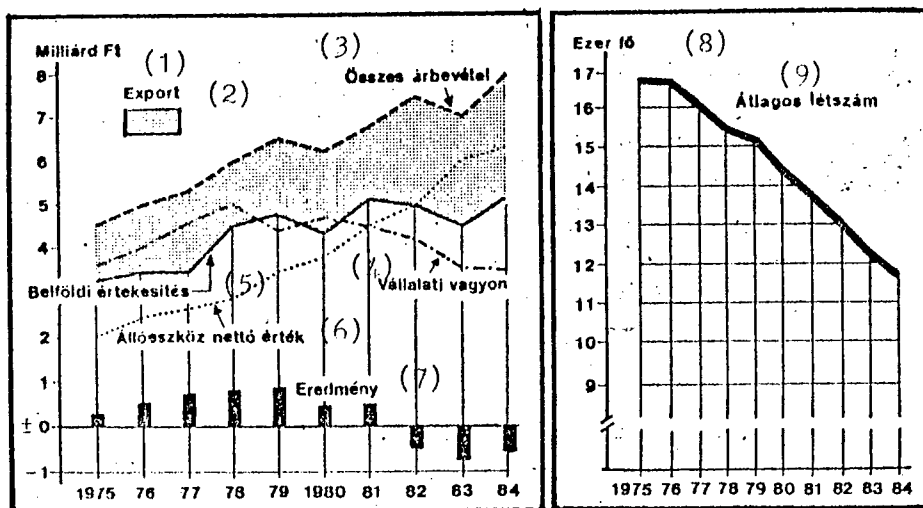


Table: Most Important Data for Ganz-MAVAG

Key:

1. Billions of forints
2. Export
3. Total sales receipts
4. Enterprise property
5. Domestic sales
6. Net value of fixed assets
7. Result
8. Thousands of people
9. Average Personnel

Note: Enterprise property is smaller than the net value of fixed assets because it does not contain the value of assets financed from state loans and from investment credit.

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ECONOMY

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GANZ-MAVAG MUST LEARN TO COPE

Budapest FIGYELO in Hungarian No 44, 31 Oct 85 pp 6-7

[Interviews with Dr Adam Juhasz, director general of Ganz-MAVAG, and Peter Havas, director general of the State Development Bank, by Dr Gyorgy Varga: "We Must Learn to Swim"]

[Text] In 1984 the Ganz-MAVAG Locomotive, Car and Machine Factory (GM) placed 29th in FIGYELO's list of industrial enterprises on the basis of production value, 11th on the basis of personnel and 19th on the basis of gross fixed assets available. The enterprise improved its placing by 10 positions on the basis of total export, compared to 1983, and occupied 22nd place in the enterprise listing. Among machine industry enterprises GM placed 7th or 8th on the basis of total export and was in 3rd place, after Raba and Tungsram, on the basis of convertible export. The enterprise is counting on 45-47 million dollars of export in 1985, which exceeds the 1984 figure by more than 40 percent.

For many years GM has struggled with periodically recurring management and financial difficulties. Reconstruction began at the enterprise in 1976 on the basis of a resolution of the State Plan Committee; the target figure for this reconstruction was about 12 billion forints. The efficiency indexes of the enterprise deteriorated precipitously from 1980 and in 1983-1984 the enterprise became a deficit enterprise and one with a fund shortage. Because of the deterioration in the credit rating of the enterprise the Hungarian National Bank suspended the extension of further credit for the reconstruction at the end of 1982.

What lessons has the new director general Dr Adam Juhasz, appointed at the beginning of this year, drawn from the operations of GM thus far and how does he see the future of the enterprise? Dr Gyorgy Varga asked him about this.

[Answer] For the sake of historical accuracy I must remind you that the Ganz factory was a successful enterprise of European reputation to the end. In the years following the liberation both Ganz and MAVAG [Hungarian State Iron, Steel and Machine Factory] played a key role in the reconstruction and in the reparations deliveries. The unification in 1959 caused the first big shock, although the products remained competitive. The periodically returning difficulties began actually in the 1970's. These can hardly be attributed to a single cause.

I consider the most important, perhaps, to be the economic environment which did not force the enterprises to make a real effort, to preserve and improve their competitiveness. Technical development was forced into the background in the absence of constant pressure for innovation, and there was a time when they virtually scorned creative technical experts from the enterprise. So it is no wonder if the competitiveness of GM gradually declined. But all this did not come out clearly until the second half of the 1970's, and then central action became necessary.

Nor is it a circumstance to be neglected in the development of the fate of GM that its buildings, its manufacturing equipment and its entire infrastructure gradually became obsolete. The worn-out tools were not replaced for decades. I want to emphasize that even the previous level was not maintained. We compiled a balance of the budgetary links of the enterprise which show that between 1970 and 1984 the enterprise paid more than 20 billion forints into the state coffers and received only 12 billion in the form of supports and credits.

[Question] Even that is customary, there is nothing extraordinary in it. Perhaps it would say more if we were to examine the balance of withdrawals and the supports which deviate from or exceed the normative prescriptions. Would the balance show something different this way?

[Answer] We did not calculate this, nor do I know what this would really describe, but we did calculate the discounted value of all supports, credits and payments into the budget, and this even increases the gap to the detriment of the enterprise. All this led to the fact that the old and used up fixed assets were not replaced or renewed, although one can find here a good number of buildings 100 years old, a sewerage network from the end of the last century, and so forth. Unfortunately even I do not know why there was no renovation.

[Question] But reconstruction began in 1976....

[Answer] Right. But this did not prove successful. The reason partly was that it began as a state fund award, then the construction was transformed first into a state loan with retroactive effect and finally into bank credit. That is, during the period of the reconstruction the use conditions for the sources changed several times in a way sensitively influencing the economic or liquidity position of the enterprise. The award which started originally as free money finally changed into bank credit carrying a 14-percent interest burden.

[Question] Can one presume that the reconstruction and the individual investments would have been planned and calculated differently if GM had had to face the strictest conditions from the beginning?

[Answer] I am certain of it. They planned the investments with an open hand on the basis of the original ATB [State Plan Committee] resolution and spent the money accordingly. I could give many examples of expensive specifications and oversized capacity.

[Question] As I understand it the branch ministry at that time even had a say in the technical details of the investments, for example what sort of machines should be purchased and from where.

[Answer] Yes, this was frequently so, but other organizations had a say too.

[Question] Do you agree that the reconstruction of GM repeatedly proved that it is not right for state administration organizations and bodies to decide about concrete enterprise development programs, because in such cases every risk falls on the national economy, i.e. on society, because no one is responsible?

[Answer] I would have always agreed with this, and the lesson must be drawn from this case too. In the course of the reconstruction of GM they also made the error of investing the money at too fast a pace. They had spent about 7.5 billion forints by the end of 1982. Such a rapid growth of production, sales receipts and profit did not and could not follow this pace. Just think, the value of the assets of the enterprise doubled in the few years of the reconstruction. GM was incapable of producing the repayment and interest burdens of this; it could not be capable of it if simply because a considerable part of the 7.5 billion forints spent did not increase producing capacity but rather served the indispensable renovation of the infrastructure. In my judgment a slower and of course more conservative reconstruction would have been better, because in this way the enterprise might have been able to produce the financial cover for the increasing burdens which accompanied it. Since things did not happen this way, and the burdens of the investments even increased, the investment debt of GM now--about 5.8 billion forints--exceeds the value of the property of the enterprise.

[Question] So we might say that at present it has no property of its own. But might the liquidity problems be eased with sources arising from amortization of the existing assets?

[Answer] No. In the first place the value of the existing stock was written off to zero at the beginning of the reconstruction. In the second place settling the 485-million-forint deficit and fund shortage of 1983 took all the amortization for 1984.

The enterprise was affected especially sensitively by the fact that personnel decreased at a pace much faster than planned. As a result the utilization of machines and equipment put into operation deteriorated to a large degree. The average number of shifts actually does not reach one, although the very valuable equipment should be operated in two shifts. It is a fact that there are more machines than producing workers at the enterprise. The fast paced decrease in personnel obviously had a bad effect on work discipline too, and this appears in a deterioration of quality. The cost of extra work deriving from quality mistakes occupies a leading place among the sources of the deficit of the enterprise.

[Question] Does not the fact that largely traditional machines were purchased in the course of the reconstruction play a role in this unfavorable man-machine ratio?

[Answer] Certainly that also played a role in the situation which developed, although a significant number of NC and CNC machines were put into operation and a number of modern technological procedures were introduced as well.

[Question] How is the fate of the enterprise affected by the fact that continuation of the reconstruction was finally suspended?

[Answer] Unfavorably. It is true that if it had been completed we would have had to face more serious financial difficulties temporarily. So now the uneven capacities, vertical structures which do not fit one another, are causing problems. We cannot say that the bottlenecks have been eliminated. The planned reconstruction of a number of plants and technologies did not take place.

[Question] But in the event of the realization of the entire reconstruction the shortage of personnel would cause even greater problems.

[Answer] No, because more productive equipment would be used. But what is most painful is the departure of a good number of the technical experts, which has an immediately felt effect in the deterioration of the competitiveness of our products.

[Question] What do you consider to be the chief characteristic of your leadership style?

[Answer] Perhaps the fact that despite the difficulties it is my goal that GM should approach and reach the international level with its products. I believe that this is possible. I would like to see the international standard become the criterion for judging performance everywhere at the enterprise, and thus we could take our place on ever more demanding markets.

[Question] This requires first of all a structural renovation of GM.

[Answer] That is so. We are now working on the strategic plan of the enterprise up to 1990. So far the enterprise has not had such a plan. The strategy is the product of collective work. Every organizational unit worked out its own plan and we have debated these and had them clash through several rounds.

In our judgment the profile of the enterprise is favorable from the strategic point of view, even if there are few progressive products. Over the long run we can count on increasing market demand, domestically and abroad, for the majority of our products--railway vehicles, hydraulic machinery, steel structures. It is also advantageous that the enterprise has a broad range of products, that production is diversified. So the enterprise stands on many legs and its market risk is smaller. To a certain extent GM carries out custom and small series production, just like the majority of our competitors. But we have products, such as turbines and pumps, the mass production of which has not reached the mass production of foreign factories since the 1970's.

[Question] So the GM strategy will not contain a modification of profile?

[Answer] No. However, product composition within the profile, the modernity of the products and quality must be improved.

[Question] Will the strategic plan contain a goal of ending production of some products which cause significant losses?

[Answer] We should cease production of those products for which there will be no market demand. Since we only produce to order, what is not ordered automatically disappears from among our products. So it is our opinion that the market should do the selecting. And since I have mentioned the market I must say that the domestic market is perhaps the least favorable for us. It may be that GM is the monopoly manufacturer of some products, but we are in contact with users who are also in a monopoly situation, with this difference, that they have the possibility of choice. For example, MAV [Hungarian State Railways] or BKV [Budapest Transportation Enterprise] can import rail cars, locomotives or trams from socialist countries too. These foreign products compete with the GM products primarily in price and not in quality. The users have now discovered their disadvantages and are beginning to return to GM. So we are again manufacturing trams and 4-part motor trains, and we are starting manufacture of metro trains, too.

[Question] Railway vehicle manufacture makes up about one third of the GM production. Selling them involves a loss of about 10 percent. How can this branch of production be made economical, especially considering that railway vehicles are an important export article for the enterprise?

[Answer] Traditional motor trains delivered to the socialist market are deficit items because of the depressed price. Capitalist export as a whole is profitable; the loss on some deals was primarily due to unsatisfactory quality and the price concessions necessitated by this, and in part by the costs of on the spot repair and assembly work. We will make immediate changes here to protect the honor of the trademark.

Even in the future railway vehicles will be a decisive part of our export. It is likely that we will be able to keep up with the average market demands, i.e. with the manufacture of locomotives, trains and rail cars satisfying the average needs. Unfortunately we do not manufacture the electric equipment; Ganz Electric does. Coordination of the developmental work of the two enterprises has been realized most awkwardly and this is one obstacle to faster railway vehicle development. But even here one can experience a positive change. Despite the difficulties our convertible account export of railway vehicles in 1985 will be most profitable and of greater volume than ever before.

[Question] The status of ruble account motor train manufacture, requiring significant state support, is thought provoking. The enterprise has been making trains of this type for many long years. Following the logic of the learning and experience curves and the cost curves going with them the manufacture of this type of train is so far along, it would seem that the losses are incomprehensible.

[Answer] They are not incomprehensible if we consider that wages account for about 10 percent in the cost structure of railway vehicles, and the rest is primarily the increasingly more expensive material and energy costs. The price which can be obtained hardly covers this.

[Question] What sort of developmental plans does the enterprise have in the other manufacturing areas.

[Answer] We are placing great emphasis on developing diesel motor manufacture, industrial driving machinery, pumps and turbines, oil drilling equipment, diesel generators and air and gas compressors. We want to increase the prime contracting activity of the enterprise. The enterprise has a good reputation and good traditions on the markets for the products listed.

[Question] Do you not attribute too great a role to tradition? Does this not hinder innovation, perhaps creating new traditions for the future, for example the introduction of more modern products requiring more highly qualified work?

[Answer] I believe that we are not exaggerating the strategic significance of the foreign reputation of GM. In Egypt, for example, the word for express train is identified with the name "Magyar." Turbines are still operating abroad which Ganz delivered at the end of the last century. In a word, the tradition is a great market value for us. Looking back does not necessarily mean some sort of unproductive nostalgia. For example, in the 1960's the factory produced more in physical volume than now. So achieving the level of two decades ago means progress in our case. We could produce substantially more modern products containing more highly qualified work only if we again strengthened the intellectual base of the enterprise, if there was money for development. Just think, the ratio of engineers is 8 percent for us and 15-20 percent for the competition. As a result of our efforts and as a result of more favorable material offers we have taken on 54 beginning technical experts so far this year. It is a good sign that a few of the old technical guard have returned as well.

In the interest of achieving an economical production volume we plan to do primarily final assembly work, requiring less labor, in the Budapest factories, while we will move the labor intensive manufacture to our provincial factories, while expanding our capacity. We must improve the conditions for flexible accommodation and better market work as well. It follows from all this that we have set a goal of realizing an expansive strategy based on a dynamic increase--about 7-10 percent per year--in production and thus in sales receipts. This is the only way to get out of the economic difficulties and ensure lasting profitability.

[Question] Your choice is thought provoking. According to my information foreign firms with similar profiles, struggling with partly similar problems, relatively quickly disposed of their factories which were not profitable, or barely so, in the crisis periods of the 1980's. They narrowed their offerings and the slogan of diversification is now replaced by a slogan, or if you like strategy, of "Let us produce what we understand best." The expansive strategy of GM now being prepared seems to assign a greater role to increasing volume than to improving efficiency.

[Answer] We could discuss this at length. I believe your view is only partly true and does not hold for the foreign situation in general. As for selling factories, we are in a different situation than the western firms. Partly because of the undeveloped nature of the background industry, we are forced to operate many vertical chains, which otherwise we would be glad to get rid of. In addition, we have factories, and we have buildings 80-100 years old, which we would be happy to offer, but who would buy them? There would hardly be any customers. The strategy selected by us reflects a certain constraining situation too, because a gigantic capital burden falls on the enterprise which

can be borne only with a dynamic increase in sales receipts and profit. This is a consequence of the earlier developmental policy. I might also say that we are running after our money.... International comparisons also prove that the assets efficiency of GM is low. We can improve this only with better utilization of existing capacity, in part modern, and with the manufacture of more valuable products. And we can find a market for the extra products.

[Question] In 1984 the Economic Committee passed temporary measures to resolve the financial tensions of 1983, then a new salvage action was taken at the beginning of 1985, to get over the 349-million-forint deficit and the 357-million-forint shortage in the interest fund for 1984. What was the essence of these measures and what does the enterprise consider a lasting solution to its financial problems?

[Answer] Our obligations to repay credit and pay interest were temporarily suspended in 1985, we are receiving support--smaller than the normative amount--to ensure a certain minimal profit proportional to sales receipts in ruble account export, we are getting a fund award, with a fee obligation, to carry out the investments which cannot be postponed, and for one year we can use the central earnings regulation system.

[Question] How will GM close this year?

[Answer] According to our estimates we will achieve the prescribed 710-million-forint profit with sales receipts exceeding 8 billion forints.

[Question] This just about equals the suspended repayment and interest payment obligations.

[Answer] That is right, in this sense we expect a zero profit or loss. This is certainly progress compared to the deficit last year. The condition for a lasting solution to the financial problems is to settle the debt burdens which seriously burden the maneuverability of the enterprise and draw off sources indispensable for renovation.

[Question] What would the settlement mean?

[Answer] Essentially it means that a part of the present credits and loans--i.e. 5.8 billion forints--let us say at least about half of it should be transformed into a capital award and the rest should be rescheduled into some reasonable form. This is covered by the earlier payments made by the enterprise.

We are convinced that settling the outstanding debt would be advantageous even from the viewpoint of the national economy, because this would make it possible to achieve enterprise profitability level exceeding the machine industry average, to stabilize GM's export position and to improve its competitiveness. As a result of all this the enterprise would make greater profit and would pay taxes over and above the value of the repayment of the debt. This is not squaring the circle, we have proven it with calculations!

[Question] Soroksar Foundry separation in 1985 already relieved the enterprise of a large part of its capital burden--ca. 1.5 billion forints. Yet your proposal could be called a quasi-rehabilitation. Under what conditions?

[Answer] They have--correctly--obliged GM to prepare a strategic plan. An expert committee independent of the enterprise will judge the plan at the end of this year.

[Question] For decades there has been an unavoidable contradiction between the diversified production profile of GM and its organizational guidance system. In its time the reconstruction program already prescribed a certain transformation of the ossified and overcentralized guidance-leadership methods, but little of this has been done. It was decided in 1984 that of the 8 factories belonging to the enterprise the Elevator Factory, the Kiskunhalas Machine Factory and the Zalaegerszeg Machine Factory were to be transformed into subsidiaries in 1985. This did not happen either. Is it perhaps because these factories are incapable of standing on their own feet economically?

[Answer] To judge the organizational-guidance system it must be known that a total of 32 economists work at the enterprise. We have factories which have no economists. Now, when working out the strategic plan, it turned out that it was not even clear how cost-effectiveness should be calculated. In some factories they do not recognize the subsequently calculated production cost of their products, simply because frequently they do not even do subsequent calculations product by product.

As for the future, we have set the goal of creating maximum independence of the factories. This means that beginning 1 January our factories will become profit centers. The factories will prepare an independent balance and will manage from the profit they achieve themselves. This presumes that every cost at the enterprise must be borne where the cost arose. It is expected that 15 percent of the factory profit and 70 percent of the amortization will be centralized. The factories can get developmental money by means of a competition from the central source thus generated. Hopefully this will put an end to investment behavior based on in-kind considerations, and weighing payoff will come to the fore. We will put the money out to the factories as a sort of bank credit, with conditions somewhat more favorable than the outside interest rate. We expect from the competition for central developmental funds that in this way we will be able to concentrate our assets on the best developmental areas.

[Question] Operating this system will make it necessary to use real prices, if you like market prices, within the vertical structure as well.

[Answer] That is right. This is why we decided that where an internal user has the possibility of choice he can select a partner outside the enterprise in the event of a considerably more favorable outside offer. That is, in general the factories will trade with one another at market prices. If the enterprise assumes credit then we will burden the factories as a function of the goal of the credit assumed, just as with the existing debt burden. Finally, the factories will decide independently how much of their interest fund to use for development or to increase wages. Naturally, technical development and marketing will be referred basically to the factory sphere of authority.

It follows from what has been said that the central enterprise organizations will exercise only those functions which determine the operation of the enterprise as a whole and the strategy of its development. On the basis of the principle of exceptions the center intends to guide and to intervene in the

life of the factories only if their management deviates to a considerable degree from the plan prescriptions, or if it becomes necessary to protect the financial balance of enterprise management. Now let me return to why the three factories mentioned by you were not transformed into subsidiaries. It was because they themselves gave up the plan when they learned of this decentralization program.

[Question] It appears that the personnel conditions for operating such a decentralized guidance system are missing in the factories. When can this system be operable under such circumstances?

[Answer] We are simply in a forced situation. We cannot wait until GM becomes so attractive that economists stand in line to be taken on. What is involved is that we cannot become efficient without a transformation in the internal enterprise mechanism. So we must drop the leading experts working in the factories into deep water and--with careful supervision and patient help--they must learn to swim, like it or not. We have no other choice. In addition, two foreign organizational firms, on a commission from us, studied the enterprise and both recommended, in a completely concordant way, decentralization and the development of profit centers. The system, at least in its major respects, must be operational in the first half of 1986, because financial accounting for 1986 will take place according to the new method. We are also preparing for the fact that a series of problems must be settled along the way. The manpower regrouping accompanying the organizational changes promises to be the most difficult task. In any case, 1986 will be a year of learning for the factory and for the enterprise center alike. Taking all this into consideration I see the future of the enterprise, its dynamic development and its even more dynamically increasing export to be realistic goals. I am an optimist.

"You Cannot Breathe Life Into an Enterprise From Outside"

As appears from the interview with Dr Adam Juhasz, a professional committee will judge the strategy of the Ganz-MAVAG Locomotive, Car and Machine Factory (GM) which is now being prepared. FIGYELO asked Peter Havas, director general of the State Development Bank and leader of the committee, about this work.

[Question] For the most part inter-ministry committees or the appropriate state administration organizations pass judgment on the strategic or measurements plans of GM and other enterprises in a similar situation. Does the professional committee represent a break with this practice?

[Answer] I do not say that a complete break is involved and that the old practice will not be followed. It is rather an experiment. The members of the professional committee will not represent the position of state institutions; rather, they will give their opinion on the basis of their own professional knowledge, experience and conviction concerning the conception submitted by GM and its various details.

[Question] We know that you were not inclined to participate in a traditional, inter-ministry committee, but you were a supporter and an initiator of creating the professional committee. Why?

[Answer] It is my conviction that you cannot breathe life into an enterprise from the outside. Each can master its economic difficulties only on the basis of its own abilities and decisions. One can give aid and council for this. An expert committee made up of impartial people not suffering from enterprise blindness may be suitable for this. This explains my behavior. The committee will work in cooperation with the leaders of the enterprise; it will confirm, criticize and recommend. The committee is also suitable for making proposals, more objective than those of the enterprise, to the government, or more precisely to the minister of industry who created the professional committee, in regard to measures to be taken in the enterprise's interest, a useful method of financial aid and defining realistic requirements that might be made of the enterprise. I also consider the creation of a professional committee to prepare such decisions better than the traditional state administrative procedure because an enterprise is an organism with many layers which cannot be judged from this or that functional viewpoint. All this is possible only if the members of the committee put themselves in the shoes of the enterprise.

[Question] The committee is a collective body. Is the responsibility also collective?

[Answer] In contrast to the essentially anonymous character of an inter-ministry committee the participants in the professional committee represent their individual positions and give their names to them. Their personal professional reputations are at stake. The committee, as a body, assumes collective responsibility for its advice and recommendations, but the members can have their different opinions and we will not round these off with the coordination process traditional in state administration. So the limits of compromise are narrower for us, and the different opinion of the individual will be voiced just as the collective proposal of the committee. So the individual cannot hide behind the body. I am convinced that an inter-ministry committee cannot be suitable for this type of work because, in addition to what has been said, the prior coordination process and the institutional authorization limit in advance the freedom or possibility of thinking or making proposals for those participating. It is characteristic that those same experts, as members of the professional committee, are capable of participating in the work relying better on the information, experiences and proposals of each other.

[Question] In your judgment, are there enough independent experts in Hungary?

[Answer] I say from experience gained in the work of the bank that there are not enough. The scientific, professional circles are very closed, and in our institutions the rigid hierarchy makes the free and responsible expression of opinion very difficult. But it is also true that underestimating outside expert opinion is a widespread disease with us. Only that can be good and clever which we discover for ourselves. It is time to oppose this attitude. One should not overemphasize what I said. The outside expert is not capable of setting an enterprise on its feet; he cannot decide for the enterprise leadership, and it is not he who must apply the strategy. What I am talking about is only giving advice, aid, which, however, can have very great value. I emphasize all this because the expert recommendation, even if forward-looking, is based on the given facts, on an analysis of the situation. But the proposals and the strategic recommendations must be applied amidst changing circumstances, and they must be adjusted in case of need. This also is a task

for the leaders of the enterprise. I emphasize this because GM is not being put into some sort of wheel chair, and we should not regard it as having a disadvantaged situation requiring constant help. Not at all! GM must stand on its feet.

[Question] Will the members of the committee be paid for their work?

[Answer] This question did not come up. This work interests and excites the members of the committee. Everyone feels his responsibility, and that this is not a routine task.

[Question] What lessons does participation in the committee have for the director general of the State Development Bank?

[Answer] Independent expert opinion should be asked for more frequently in the bank judgment of investments. The experience of foreign banks proves this too. We have used this method already, but rarely. Far be it from me to overvalue the role of expert committees, but in addition to the professional advantages they make the preparation of decisions more open and contribute to the development of democracy.

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CSO: 2500/88

POLITICS

INTERNATIONAL AFFAIRS

PROSPECTS OF ROMANIAN COOPERATION WITH CSSR

AU141548 Bucharest AGERPRES in English 1212 GMT 14 Dec 85

["New Productive Prospects for the Development of the Friendly Romanian-Czechoslovak Collaboration"--AGERPRES headline]

[Text] Bucharest, 14 Dec (AGERPRES)--The leading Romanian dailies of 14 December extensively comment on the results of the recent Romanian-Czechoslovak dialogue in Bucharest occasioned by the working visit paid to Romania by Gustav Husak, secretary-general of the CC of the Communist Party of Czechoslovakia, president of the Czechoslovak Socialist Republic, as guest of Nicolae Ceausescu, RCP general secretary, president of the country.

The new Romanian-Czechoslovak summit in Bucharest, the whole unfolding of the official talks, the orientations set for the expansion of the collaboration in socialist construction, the fruitful results of the visit whose synthesis is reflected by the joint communique have disclosed once more the lastingness and profound character of the links between our parties and peoples, writes SCINTEIA.

After recalling that the links between the two peoples have deep roots in the past of common fight for national freedom and independence, for the removal of foreign oppression and the building of a better life, being cemented through the blood shed in common in the years of anti-Hitlerite war when the Romanian soldiers in close brotherhood of arms with the Soviet soldiers, with Czech and Slovak patriots, made an important contribution to Czechoslovakia's liberation, to the victory over fascism, and that the Romanian-Czechoslovak relations of friendship and collaboration have recorded powerful development in the years of socialist construction, the same newspaper further writes.

As it was shown also during the current visit, the collaboration between the leading forces in the two countries--the Romanian Communist Party and the Communist Party of Czechoslovakia--the summit meetings and talks make a decisive factor of strengthening the Romanian-Czechoslovak friendship and deepening the relations in all domains. In the light of the fruitful results so far very important becomes the two leaders' determination to expand further the contacts between the two parties, to enlarge

the exchange of experience in the building of the new system between the party, state and civic organizations in Romania and Czechoslovakia.

The general development of the Romanian-Czechoslovak relations in harmony with the provisions of the treaty of friendship, collaboration and mutual assistance, of the understandings and decisions agreed during summit meetings is a reason for mutual satisfaction. The volume of commercial exchanges has grown year in year out. Telling of the dynamics of these exchanges is the fact that the recently signed protocol stipulates an increase by over 40 percent of the bilateral deliveries as compared with the estimates for the current 5-year period.

No doubt, both the development programs of the two countries and their continuously growing economic potential offer, as stressed on this occasion as well, wide possibilities for an ever closer collaboration.

As an expression of the wish to ensure a still more lasting base to the Romanian-Czechoslovak relations, to deepen and improve the mutually advantageous collaboration, President Nicolae Ceausescu and Gustav Husak signed in a solemn framework the long-term program on developing economic, technological and scientific collaboration between the Socialist Republic of Romania and the Czechoslovak Socialist Republic by 2000, a document of outstanding importance which gives wide prospects to the friendly collaboration between the two countries and peoples.

Mentioning that the new Romanian-Czechoslovak summit occasioned also an exchange of views on the major issues of current international life, the paper shows: starting from the tense situation in the world created especially by the intensification of the nuclear arming it was stressed that the fundamental problem of contemporary world is the halting of the arms race and the passage to disarmament, nuclear above all.

Emphasized during the talks was the importance of the Soviet-American summit meeting in Geneva for marking progress at the talks on the cessation of the arms race on the earth and on averting it in the outer space, for strengthening international peace and security. At the same time, it is necessary under the circumstances that all states, the NATO and Warsaw Treaty ones first of all, should actively contribute to the efforts for the reduction and elimination of the nuclear weapons in Europe, to marking progress at the talks on this matter.

Very important for ensuring lasting peace in Europe and in the world--the joint communique stresses--is the observance of the current territorial and political realities established in Europe.

Of great significance in the current international circumstances is the correct, negotiated settlement of the conflicts in various zones of the world. The two countries share the same position also on the other

fundamental issues of international life, working for their settlement in harmony with all peoples' aspirations for peace, independence and progress.

Through the importance of the understandings and conclusions disclosed, through the documents endorsed, the visit makes an important contribution to the consolidation of the friendship and the deepening of the collaboration between the two parties, countries and peoples, to mutual benefit, in the interests of the general cause of socialism, peace and collaboration internationally, concludes the major Romanian daily.

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CSO: 2020/55

23 January 1986

POLITICS

INTERNATIONAL AFFAIRS

SPEECHES EXCHANGED AT BUCHAREST LUNCHEON FOR JARUZELSKI

Jaruzelski Toast

AU271009 Bucharest SCINTEIA in Romanian 23 Nov 85 pp 1, 3

[Toast by Wojciech Jaruzelski, first secretary of the PZPR Central Committee, at luncheon given in his honor by Nicolae Ceausescu, RCP secretary general, on 22 November in Bucharest]

[Text] Esteemed Comrade Ceausescu, dear Romanian friends,

I would again like to express my cordial thanks for your invitation to visit the SR of Romania. Likewise, I would like to express my thanks for the cordial reception prepared for us in Bucharest.

At the same time, I wish to express my satisfaction with the frank and substantive talks we held. We believe that these talks are a continuation of the meetings and talks we held last year during the visit you paid to Warsaw. That visit made a contribution to expanding and enriching the framework of our cooperation. Today we can see the good results we jointly attained in this direction.

We believe that this visit will give a new impetus to our activity to further expand our cooperation. As we have agreed, this expansion of cooperation has to refer to every field of activity--to cooperation at party and state level and in economic, scientific, cultural areas, and youth affairs. I consider it extremely important to expand cooperation between enterprises by directly approaching the workers class and the working people. This will be a confirmation of our traditional friendship resulting from the similarity of our peoples' destinies, and will be in accordance with our common and internationalist ideals, as well as with the programs of our Marxist-Leninist parties. This will be in accordance with the interests of our party and state, and will improve the level of socialist integration of the countries within the socialist community. We believe that Romania and Poland--two relatively big countries by European standards--must and can make an essential contribution to this integration and, at the same time, should contribute--within the Warsaw Pact--to the struggle for peace and security in Europe and throughout the world.

I fully share the views expressed by you regarding the importance of the meeting we held in Sofia and the meeting held yesterday in Prague, where we exchanged views on the basis of the information presented to us by Comrade Gorbachev.

The situation of our countries, the great programs to overcome difficulties and continue the development process, and the contribution we have to make concerning the problems of general European security prove the importance of these contacts and at the same time stress the importance of the talks we hold and the decisions we will make. We, the Polish side will do everything to make these decisions as constructive as possible and lend them importance for the future, so that they should answer the real possibilities of our countries and our peoples' desire for progress.

Allow me to extend to you most cordial greetings on behalf of the Politburo of our party's Central Committee, of the State Council of the Polish People's Republic, of all communists, and of the Polish people.

We wish our Romanian friends and you personally, Comrade Nicolae Ceausescu, ever greater successes in building socialist Romania.

I would like to raise a toast to the friendship and cooperation between our people and to the unity of our parties:

--to your health Comrade Ceausescu;

--to the health of all our Romanian friends. (Loud applause)

Ceausescu Toasts Jaruzelski

AU251310 Bucharest SCINTEIA in Romanian 23 Nov 85 pp 1, 3

[Toast proposed by RCP Secretary General Nicolae Ceausescu at 22 November Bucharest luncheon given in honor of visiting first secretary of the PZPR Central Committee, Wojciech Jaruzelski]

[Text] Esteemed Comrade Jaruzelski, esteemed comrades:

Once again I would like to express satisfaction on behalf of myself and the party and state leadership with your visit to Romania and to extend warm welcoming wishes to you and the comrades in the delegation.

I view this visit also as an expression of the positive relations of cooperation between our parties and peoples. These relations have developed vigorously in the years of socialist construction and life has demonstrated that they have withstood and even developed in difficult conditions. I am convinced that during the talks today we will reach joint understandings that will open up new prospects for developing economic and scientific-technological cooperation between our countries, thus creating fresh opportunities to expand production sharing in various areas.

We also want to reach an agreement on expanding cooperation between our parties, mass organizations, and in other areas, a fact that will contribute to strengthening friendship and solidarity between our parties and peoples.

As for international problems, we have discussed them recently during the Sofia meeting and even yesterday we exchanged views on these subjects. Our countries hold common positions on the basic problems and act, together with the other socialist countries of the Warsaw Pact, in the direction of resolving the grave problems in the international arena by means of disarmament and primarily nuclear disarmament and of achieving peace in Europe and throughout the world.

We believe that after the Geneva meeting between the leaders of the Soviet Union and the United States, which has paved the way for the continuation of negotiations, it is necessary for us to intensify our activity aimed at disarmament, at resolving problems between states by negotiations, and at a world of peace.

I would also like to mention our desire that, along with bilateral cooperation, we should also strengthen cooperation within CEMA and act toward fulfilling the comprehensive program on achieving scientific-technological progress in order to create optimal conditions for the development of our socialist economies and the economies of the CEMA member-countries and to open up broad prospects for cooperation with the other socialist countries and with all states in the world by proceeding from the fact that both economic cooperation and expanding exchanges constitute an important factor in the struggle for peace, understanding, and cooperation among all states, irrespective of social system.

I am convinced that your working visit--although short--and the talks we are conducting will identify fresh opportunities for cooperation between our parties and countries, this being in keeping with both the interests of our two countries and with the interests of the socialist countries in general, and with the cause of peace and cooperation among all world nations.

I want to toast the constant development of cooperation between our parties and peoples and I wish the friendly Polish people increasingly greater successes in socialist construction and in improving the material and cultural living standard;

I want to toast positive cooperation among the socialist countries; and your good health and that of the other Polish comrades. (Loud applause)

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POLITICS

INTERNATIONAL AFFAIRS

ROMANIAN, BULGARIAN YOUTH MEETING HELD

Nicu Ceausescu Meets Bulgarian Delegation

AU170835 Bucharest AGERPRES in English 2039 GMT 16 Dec 85

[Text] Bucharest, 16 Dec (AGERPRES)--A friendly get-together between representatives of Romanian youth and representatives of Bulgarian youth began on 16 December. Sponsored by the youth organizations in the two countries, this action fits in the context of the relations of close cooperation between the Romanian and Bulgarian youth, relations which deepen and diversify steadily in the spirit of the traditional relations of fruitful friendship between the two parties, countries and peoples, of meetings and talks between Nicolae Ceausescu and Todor Zhivkov.

The Bulgarian youth delegation headed by Stanka Sopova, first secretary of the CC of the DYCL, was greeted by Nicu Ceausescu, alternate member of the Executive Political Committee of the CC of RCP, first secretary of the CC of the UCY, in Giurgiu Municipality.

Bobu Receives Bulgarian Delegation

AU162022 Bucharest AGERPRES in English 1807 GMT 16 Dec 85

[Text] Bucharest, 16 Dec (AGERPRES)--On 16 December Emil Bobu, member of the Executive Political Committee, secretary of the CC of the RCP, was called on by the chief delegates of the Union of the Communist Youth [LCY] and of the Dimitrov Young Communist League (DYCL) of Bulgaria, that participated in a friendly meeting between representatives of the youth in Romania and Bulgaria.

The sides highlighted the traditional relations of friendship and collaboration between the Romanian Communist Party and the Bulgarian Communist Party, between the Romanian people and the Bulgarian one, between the youth in the two countries, stressing the special importance of the interviews and talks between Nicolae Ceausescu and Todor Zhivkov. The sides also brought to the fore the fact that the friendly interview between representatives of the Romanian youth and of the Bulgarian youth contributed to amplifying the relations of collaboration and friendship between the youth in the two countries as well as between the UCY and the DYCL.

23 January 1986

Nicu Ceausescu Addresses Rally

AUI72051 Bucharest AGERPRES in English 1903 GMT 17 Dec 85

[Text] Bucharest, 17 Dec (AGERPRES)--Tuesday, 17 December, events continued in Brasov as part of a friendly meeting between representatives of the youth in Romania and Bulgaria. On the occasion a meeting of friendship between representatives of the Romanian youth and of the Bulgarian youth was held. Youth of economic, research and education units in the Brasov Municipality participated.

During the meeting Nicu Ceausescu, alternate member of the Executive Political Committee of the CC of the RCP, first secretary of the Central Committee of the Union of the Communist Youth [UCY], took the floor, addressing a warm salute to the entire Bulgarian youth, to its revolutionary organization, the Dimitrov Young Communist League [DYCL]. Next, stress was laid on the fact that this friendly meeting was a proof of the good relations of collaboration established between the youth in the two countries, in the context of the relations of tight friendship and cooperation that are developing continuously between Romania and Bulgaria, relations that have been given a strong impetus by the talks and understandings between RCP General Secretary Nicolae Ceausescu, president of Romania, and Todor Zhivkov, general secretary of the CC of the Bulgarian Communist Party, president of the State Council of Bulgaria.

After the concerns and activity of the Romanian youth for the implementation of the targets set by the 13th RCP congress were set forth, the first secretary of the CC of the UCY showed that the cardinal issue of the contemporary epoch was the cessation of the arms race, of nuclear arming in particular, the defence of the supreme right of people, of youth to existence, to free and peaceful life. It was stressed that the young generation all over the world was in duty bound to work energetically, alongside peoples, for the application of specific and efficient disarmament measures, for nuclear disarmament above all. Showing that in 1985, the International Youth Year [IYY]--"Participation, Development, Peace"--was successfully observed throughout the world, the speaker stressed the fact that after the conclusion of the IYY, the young generation everywhere should campaign most forcefully for the settlement of the problems confronting the youth of the contemporary world to keep being in the focus.

Next to speak was Stanka Shopova, first secretary of the CC of the Dimitrov Young Communist League, who highlighted the good relations in existence between the party and state leaders in Bulgaria and Romania, relations that stimulate the good collaboration between the youth organizations in the two neighbouring friendly countries. She then referred to the necessity and importance of diversifying and amplifying permanently the links of friendship between young Bulgarians and Romanians. Highlighting the importance and significance of the new meeting of Bulgarian and Romanian youth representatives, the speaker pointed out that it was yet another expression of the productive links between the young people in Bulgaria and Romania, also occasioning a fruitful exchange of experiences, views and information.

In concluding her address, the first secretary of the CC of the DYCL stressed the need for the young people everywhere to be plenarily involved in the general struggle for disarmament, security, understanding and collaboration.

Artistic ensembles, singers and instrumentalists from Romania and Bulgaria then performed a cultural show.

Youth Meeting Concludes

AU182100 Bucharest AGERPRES in English 1930 GMT 18 Dec 85

[Text] Bucharest, 18 Dec (AGERPRES)--The friendly get-together between youth representatives of Romania and Bulgaria came to an end on 18 December.

The meeting that proceeded over 16-18 December 1985, accounted for a very important moment in the process of amplification of the relations of friendship and collaboration between the young people of the two countries, between the Union of Communist Youth [UCY] of Romania and the Dimitrov Young Communist League of Bulgaria [DYCL]. It proceeded in a working atmosphere of warm friendship and occasioned a fruitful exchange of experience and information on the activity of the two youth organizations.

The delegation of the young people of the People's Republic of Bulgaria was seen off in Giurgiu Municipality by Nicu Ceausescu, alternate member of the Executive Political Committee of the CC of the RCP, first secretary of the CC of the UCY.

A bilateral seminar took place in Brasov as part of the schedule of the last day of the get-together.

In their papers Romanian youth representatives stressed the priority directions of activity of the UCY for the communist, revolutionary education, in the spirit of the glorious fight traditions of the RCP. Emphasis was placed on the modalities of active participation of the young people in the implementation of the 13th RCP Congress resolutions.

In turn, the Bulgarian youth representatives highlighted the achievements scored by the young generation in their country for the translation into life of the tasks deriving for them from the party and state documents.

Both the papers and the debates emphasized the young generation's pre-occupation for the achievement of the international youth year objectives, its specific contribution to the settlement of contemporary world's major issues, to the establishment of a climate of peace and detente the world over.

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CSO: 2020/55

POLITICS

INTERNATIONAL AFFAIRS

BRIEFS

CEAUSESCU MESSAGE TO ZARKOVIC--To Comrade Vidoje Zarkovic, president of the Presidium of the LCY Central Committee, Belgrade. Esteemed Comrade Zarkovic, on the occasion of the SFRY national holiday--the 40th anniversary of the proclamation of the Republic and the 42nd anniversary of the session of the antifascist Council for National Liberation--on behalf of the RCP Central Committee the Romanian Communists and working people, and on my own behalf, I extend to you, the LCY Central Committee, the Yugoslav Communists, and working people, cordial greetings and best wishes for success in the socialist development of the country. I express satisfaction with the continuous development of the friendly relations of cooperation between the RCP and the LCY and between our two neighboring countries and I believe that these relations will permanently expand in the interests of the Romanian and Yugoslav peoples and the cause of socialism and peace. Nicolae Ceausescu, RCP secretary general and president of the SR of Romania. [Text] [Bucharest SCINTEIA in Romanian 29 Nov 85 p 6] /9604

CEAUSESCU MESSAGE TO VLAJKOVIC--To Comrade Radovan Vljakovic, president of the SFRY Presidency, Belgrade. On the occasion of the 40th anniversary of the proclamation of the Republic and the 42nd anniversary of the session of antifascist Council for National Liberation--the SFR national holiday--on behalf of the State Council of the SR of Romania, of the entire nation, and my own behalf, I extend to you, the SFRY Presidency, and the Yugoslav peoples warmest greetings and wishes for prosperity and new successes in the socialist construction of your country. I believe that the traditional relations of friendship and cooperation between our countries, which register a continuous manysided development, will further strengthen and deepen, based on the understandings reached at the highest level and in the mutual interest of the Romanian and Yugoslav peoples and the cause of peace, socialism, detente, security, and cooperation in the Balkans, Europe, and throughout the world. Nicolae Ceausescu, RCP secretary general and president of the SR of Romania. [Text] [Bucharest SCINTEIA in Romanian 29 Nov 85 p 6] /9604

GIOSAN, VADUVA GREET SFRY COUNTERPARTS--On the occasion of the SFRY national day, Comrade Nicolae Giosan, chairman of the Grand National Assembly sent a congratulatory cable to Comrade Ilijaz Kurtesi, president

of the SFRY Assembly and Comrade Ilia Vaduva, minister of foreign affairs, sent a congratulatory cable to Comrade Raif Dizdarevic, federal secretary for foreign affairs of the SFRY. At the same time, congratulatory cables were sent by party, mass, and civic organizations and central institutions to similar organizations and institutions in the SFRY. [Text] [Bucharest SCINTEIA in Romanian 29 Nov 85 p 5] /9604

ROMANIAN-GDR SCIENTIFIC COOPERATION PLAN--Bucharest, 12 Nov 85 (AGERPRES)-- Talks were conducted in Bucharest between Ion Ursu, first deputy chairman of the National Council for Science and Technology, and Herbert Weiz, deputy chairman of the Council of Ministers, minister for science and technology of the GDR. In keeping with the understandings reached during the summit meeting in May this year a collaboration plan was signed concerning the major targets of cooperation in science and technology between Romania and the German Democratic Republic over 1986-1990. The plan provides for technical and scientific cooperation in areas of mutual interest, more particularly in power engineering, the metal industry, chemistry, electronics, electrical engineering, machine building, agriculture, a.o. [Text] [Bucharest AGERPRES in English 1857 GMT 12 Nov 85] /9604

JARUZELSKI THANKS CEAUSESCU--To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania. Esteemed Comrade Ceausescu, Allow me to express my cordial thanks for the greetings and wishes you conveyed to me on my appointment as chairman of the State Council by the Sejm of the PPR. The Polish-Romanian friendship and cooperation, which is successfully developing, is based on the Marxist-Leninist ideas and represents our joint and solid achievement. We fully share your belief that the relations of friendship and many-sided cooperation between the PPR and the SR of Romania will further develop and be fruitfully enriched, for the benefit of our countries and peoples and the cause of socialism and peace throughout the world. Please accept, esteemed Comrade Ceausescu, my best wishes for success in the activity you carry out for the benefit of your socialist homeland, and my wishes for much health and prosperity in your personal life. Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the State Council of the PPR. [Text] [Bucharest SCINTEIA in Romanian 20 Nov 85 p 5] /9604

RAMIZ ALIA'S THANK-YOU MESSAGE--On behalf of Ramiz Alia, chairman of the Presidium of the People's Socialist Republic of Albania, the following thank-you message has been presented to our country's embassy in Tirana: "The minister of foreign affairs of the People's Socialist Republic of Albania conveys his greetings to the embassy of the SR of Romania and has the honour to request the embassy to extend to the president of the SR of Romania, Nicolae Ceausescu, the thanks of Ramiz Alia, chairman of the Presidium of the People's Socialist Republic of Albania, for the wishes conveyed to him on his 60th birthday." [Text] [Bucharest SCINTEIA in Romanian 20 Nov 85 p 5] /9604

23 January 1986

CEAUSESCU MEETS YOUTH OFFICIALS--Bucharest, 23 Nov (AGERPRES)--On 23 November, Nicu Ceausescu, alternate member of the Executive Political Committee of the CC of the RCP, first secretary of the Central Committee of the Union of the Communist Youth [YCY], was called on by a delegation of the League of the Democratic Youth of Finland, headed by its President Rauno Topani Merisaari. The sides approached a series of aspects related to the current stage and the prospects of development of the bilateral collaboration, as well as problems concerning the international youth movement and the marking of the International Youth Year. The same day Nicu Ceausescu received a delegation of the League of the Socialist Youth of Yugoslavia [LSY], headed by Fadmir Bejta, member of the LSY Presidium. On the occasion information was exchanged on the current activity and preoccupations of the UCY, UCSAR [Union of Communist Students' Associations of Romanis] and LSY, the sides expressing the joint wish to develop further the relations of friendship and collaboration between the Romanian youth and the Yugoslav one. [Text] [Bucharest AGERPRES in English 1729 GMT 23 Nov 85] /9604

CONSTANTIN RECEIVES CSSR MINISTER--Bucharest, 23 Nov (AGERPRES)--Saturday, 23 November, Nicolae Constantin, Romanian deputy prime minister, received Milan Kubat, minister of the electrotechnical industry of the Czechoslovak Socialist Republic, now visiting Romania. During the interview, evoked were the fine relations of friendship and collaboration which develop continuously between the two countries and peoples, in the spirit of summit understandings and talks and new possibilities to diversify Romanian-Czechoslovak cooperation in electrotechnology and electronics were analyzed. [Text] [Bucharest AGERPRES in English 1658 GMT 23 Nov 85] /9604

BUCHAREST HOSTS DANUBIAN CONFERENCE--Bucharest, 13 Dec (AGERPRES)--At the initiative of the Romanian Government over 1-13 December Bucharest hosted a conference of Danubian countries on problems related to the management of the waters of the Danube, attended by delegations of Austria, Bulgaria, Czechoslovakia, West Germany, Hungary, Romania, and the Soviet Union, Yugoslavia as well as by representatives of certain international bodies. On the occasion the sides debated problems related to the rational use of the Danubian waters and particularly to protecting them against pollution. At the conclusion of the proceedings the participants signed a "declaration on the collaboration of the Danubian countries on problems related to the management of the Danubian waters and particularly to protecting the waters of the river against pollution." The heads of the participant delegations called on Ion Dinca, first deputy prime minister of Romania, approaching on the occasion problems posed by the development of collaboration in domains of mutual interest. [Text] [Bucharest AGERPRES in English 1649 GMT 13 Dec 85] /9604

CSO: 2020/55

POLITICS

POLAND

SEJM ADDRESS BY DEPUTY RYSZARD BENDER

Warsaw DIARIUSZ SEJMOWY in Polish 27 Nov 85 pp 13-18

[Speech by Deputy Ryszard Bender (Independent, National List) at Sejm
27 November meeting]

[Text] Mr Speaker, Esteemed House,

Please forgive me that moment's silence. I have not spoken from this rostrum for over 5 years. I wanted to address the House during the previous sitting, when the premier presented his government's program. Unfortunately, the Council of Senior Deputies decided that only representatives of the caucuses and deputies' circles would take the floor. As I did not qualify, I withdrew. Nevertheless, I do not think it was good for only six official speakers to comment on the prime minister's speech. It provided an opportunity for a broad--I wouldn't want to say "stormy"--debate, as is the custom all over the world. For this reason, today I am not just going to speak about the financial and economic problems of the country. After all, the latter are connected with the general situation in the country.

I look around this House with interest--I have been away for 5 years--and everywhere I see new faces, most of them anyway, and that includes the Council of State and government benches. I don't see the arrogant faces of those know-alls who set out to build a second Poland. Nobody is going to build a second Poland, because for a thousand years there has been one and only one Polish Republic; although buried once by the partitioning powers it rose again like a phoenix from the ashes on 11 November 1918, after 123 years of bondage. And despite the subsequent maelstroms, it lives on and will live forever; for such is the will of the people.

Mr Prime Minister, I wish to express my conviction that your cabinet, like the previous one, will not return to that kind of strange terminology, which offends patriotic emotions. What I dream of--and I do not think I am the only one in this House or in Poland who dreams of this--is for the day of 11 November, which this month we commemorated in our hearts and at our places of worship, to be observed once more as a national holiday uniting all Poles. This would be a step in the direction of genuine national conciliation. I feel--and I pray that I am right--that the time for this has now arrived: We have a new Sejm, a new Council of State and a new

government, so let us be bolder in assessing the past and looking into the future. The date 11 November: This is not a date that will divide the nation, it is one that will consolidate it.

I have used the word "nation." That is a noble word, one that embraces a multitude of civic attitudes and of political, social, and ideological concepts.

From the 1957 elections on it was a tradition for this House to include a symbolic group of Catholic deputies--usually five of them--who were close to the church hierarchy. The members of this group acted independently, taking sole responsibility for what they did, although they maintained close contacts with the Polish Episcopate. This appeared to be a lasting tradition up until the election of this Sejm. First there was the ZNAK group of deputies, then from 1981 on there was the Polish Union of Lay Catholics, the PZKS, and then in 1984, when the PZKS as an organization lost touch with the church, a Lay Catholic Deputies' Circle was formed, including Wacław Auleytner, Rudolf Buchala, and Janusz Zablocki. I deeply regret that these people were unable to stand in the last elections. Janusz Zablocki, who headed the group in several Sejms, earned great respect in this House, in numerous Catholic circles, and especially in the "Odiss" milieu, whose patron is Professor Czesław Strzeszewski, the nestor of Catholic social thought in Poland and the last surviving member of the Social Council established before the war by the then primate of Poland, August Cardinal Hlond.

I will not hide my belief that the absence of a lay Catholic deputies' circle in the present Sejm is unfortunate. The question that arises is whether one or two deputies representing a similar lay Catholic orientation should form a deputies' circle. This has to be thought over.

I am raising this issue because the matter concerns the affairs of the nation and the good of the state, which is now led by a new government and--judging by the premier's speech--faces a whole tangle of international, geopolitical, national, economic, and social challenges.

Today we are taking a detailed look at the economic and financial tasks presented by the government. It does not often happen in the world today that there is a socialist government while the majority of the population are Catholics, people who are aware of their own ethic, not only the personal one but also the social one. The latter is embodied in the papal documents on social questions, from Leo XII's encyclical *Rerum Novarum* of 1891 to John Paul II's *Laborem Exercens* of 1981.

In this context, the words uttered by the primate of Poland, Józef Cardinal Glemp, at Jasna Góra on 26 August 1985, are fully understandable. He said then: "Religious faith is so widespread in Poland that believers should also take part in the country's public life."

Someone could say that this is an artificial problem. After all, there are Catholics everywhere, running farms, working in factories and in offices.

But I would say in reply: No, this is not an artificial problem. There is an unwritten law in force in our public life. As a result of the workings of this law, Polish Catholics too rarely base their professional activity and social involvement on their religious beliefs. There is too much anonymity--for pragmatic reasons. Too many examples confirm that any motivation other than one based on the so-called scientific world outlook usually eliminates a person from active participation in public life, or at any rate from occupying senior posts.

I shall no doubt hear in reply that some Polish deputy premiers have been Catholics and that a representative of the PAX Association is currently a vice chairman of the Council of State. But that's at the very top! What about the bottom of the ladder? Please show me the economists, lawyers, and teachers who are holding senior posts at their place of work not anonymously, but laying emphasis on their Christian ideals. Unfortunately, as a rule they are forced to preserve their anonymity, in order not to offend the feelings of those around them, as I was once told.

I am convinced that if there were broader possibilities for people to demonstrate at work that they are motivated by the principles of Catholic ethic, then the benefits to our country of the activity of believers, which are already big, would be even bigger. When will that happen? I think, honorable colleagues, that this will happen when citizens feel that all the structures of the state, both the central ones and--more importantly--the local ones, are open and ideologically neutral, that the strong arm of the state does not support one selected world outlook, even when it is one that calls itself scientific. The right of citizens to preserve the identity of their world outlook in public life has to become generally accepted. This will accelerate the national conciliation we need so badly.

The events of August 1980 introduced many very precious values into our social life. The most important of them is citizens' feeling that they have the right to make sovereign decisions. I said in one newspaper interview during the election campaign that it was important for all the elements awakened in August 1980 that are positive for the development of society and the state to be reflected in our public life. I also expressed the hope--and I do so once more--that the Ninth Sejm would appreciate the importance of the values contributed by Solidarity and would ensure that they were reflected as far as possible in social practice.

I do not need to prove how much energy Solidarity released in society. Nor do I have to prove that its ideals are still held dear by a large part of society. This is a fact, and it has to be recognized as such. Of course, we may choose not to talk about this, but what good will that do? We must not repeat the mistake that previous ruling teams made in relation to the Home Army (AK). The officers and soldiers of the AK were shoved to the sidelines of social life, which was a waste of their energy and patriotism. True, in recent years, things have changed for the better here. But why wasn't it done earlier, before it was too late? The previous cabinet showed a great deal of determination by trying, whenever it was possible, to reduce the hardships that resulted from 13 December 1981. I would like

to believe, Mr Prime Minister, that the cabinet you now head will continue along that same path.

We are headed toward agreement and national conciliation. Therefore it is all the more important to speak openly about various matters. There has to be a general consensus on this. Immediately after 22 July 1944, despite the enormous political differences and the annual struggle, the imperative of biologically protecting the nation and preventing any more Polish blood from being shed began to be generally accepted. This was understood by nearly everyone, not only those on the left.

Today, 40 years later, we have to be just as prudent. The state, liberated from captivity 67 years ago, recreated after the struggle of Poles at home and on the various battlefronts of World War II, cannot be undermined again, because that would be too dangerous for Poland, for Europe, and for our neighbors as well. An internally strong, economically prosperous and modern Poland means peace in Europe and in the world.

It is therefore imperative to show a common concern for the state and for the right of the nation to live in dignity. We cannot run the risk of seeing our level of development slump; we have to overcome our technological backwardness and do so quickly--all of us are aware of this backwardness, young people in particular. We cannot afford to lose our rightful place among the nations of Europe.

Mr Prime Minister, in your address I could see your concern for the whole tangled web of important problems facing the state, especially the need for better organization in running it. Today's debate also testifies to this concern. I consider the reduction of the number of ministries--the non-industrial ones, if I might put it that way--to be an important step.

I hope the time will also come for the reduction in the number of ministries remaining. There was a time--not before the war, but in socialist Poland--when we had one integrated ministry of trade and industry. On the other hand, I cannot shake off my doubts as to whether it was really necessary to create the post of minister for youth affairs. Young people, by their very nature, do not like their matters to be channeled in any way, even into the smoothest flowing stream. Maybe I am mistaken, but this innovation is unlikely to stand the test of time. But God guide and assist you anyway, Mr Kwasniewski. I hope you will tackle the problems important to Polish youth in an unconventional way, in a way that differs from previous attempts. Our youth has a plurality of world outlooks, with the majority of young people believers, and many of them ardent believers, too. I trust you will also take note of the aspirations of the latter group.

The concern for the state must extend to all social groups, including those who govern and those who call themselves the opposition. In all initiatives that go in this direction, the government should lead the way, because it is both a party to disputes and the arbiter of them. The opposition too, should carefully consider whether all government initiatives deserve to be rejected out of hand. Poland's future, and the future of its young

generation, will depend on how we resolve our internal problems. The young are growing up critical of the activities of their elders. This is a good thing, but sometimes they do not understand the sense behind the phenomena of social life around them. This is something we have to reflect on. We all have to think about how we can reach the hearts and minds of our young generation. Then there is the problem of the nation's health. Moreover, Mr Minister Jarzebski, we must do everything in our power to avert the ecological disaster which is already on our doorstep.

Now let me look at the economic reform. I am not going to conceal, Mr Prime Minister, that part of society is concerned about the future of the reform, something I'm sure you are aware of. A lot of conjecture has been spurred by the fact that the office headed by Minister Baka no longer exists. There are suggestions and hints--sometimes in the press--that the reform might be slowed down, to put it mildly. Let us not permit this to happen. We will not come up with any alternative plan for the economy. Unless, that is, we return to the models of the past, whose negative effects we all knew too well. Many Poles continue to hope that the economic reform will help Poland overcome the economic crisis and will help them and their children to live a better life in the future. I pray those hopes do not prove misplaced.

The economic reform should be helped by the process of carrying out the Central Annual Plan, whose targets are modest, since the effects of the economic chaos wrought by past governments are still with us. Let's be frank here--this is not the kind of plan we would like to see. What kind of incentive is there for people in the fact that our national income is planned to grow by under 3.5 percent next year, or in the fact that per capita consumption in 1990 is expected to be several percent lower than it was in 1978? We need a plan that is realistic, yes, but also one that is ambitious, that will mobilize people to great efforts.

In its efforts to get the country out of its social and economic crisis, the government should seek and obtain the support of various social groups. There are all kinds of groups in the country, large and small, which are important from the social point of view and whose involvement in the decisionmaking process could make it more credible and effective--that includes economic decisionmaking, too. It is necessary to take account of these milieux--sometimes referred to as the "center"--and win them over to at least some of our common aims. A lot can be done by working together with the Poles, if only you want to--and know how to--reach agreement with them. One voluntary organization, even if it is as highly publicized as PRON, cannot cope with all our problems. Incidentally, I am not aware of PRON helping people to become active in the economy, in culture or in education on the basis of their Christian beliefs, especially in the countryside. Maybe I am mistaken, I have never been a PRON member. I certainly do not know everything, but last month I read in ZYCIE WARSZAWY that PRON's views do not always reach the authorities and are too seldom heard in public.

Why am I raising these questions? Because I am afraid of an institutionalization of expressions of public opinion. We witnessed that kind of thing in the

past. We saw the National Unity Front issue statements about the unity of the nation. Then came August 1980, which showed that unity for what it was worth. Cheap optimism can still occasionally be seen today--the government spokesman, Minister Jerzy Urban, has a particularly impressive record in this respect. God be with him. Maybe he can do no better. What I consider especially harmful, though, is the fact that Minister Urban chooses to lecture the Roman Catholic Church in Poland about what forms of pastoral work are appropriate for it. For example, on 5 November he ironically observed that the church "expresses its sympathy for those imprisoned after they are punished." So when is it supposed to express this sympathy? Ever since the times of the Roman Empire, the church has provided help and spiritual comfort to prisoners. This is an evangelical duty of the church and of all Christians.

I have here a copy of a letter from the Secretariat of the Polish Episcopate addressed to us, the deputies to the Sejm of the Polish People's Republic. It is dated 30 October 1985. It says: "Esteemed Chamber, talk of dialogue and conciliation loses its credibility when people are being kept in remand centers and prisons for noncriminal offenses. Guided by a concern for social peace, the Polish Episcopate appeals to the Sejm of the Polish People's Republic to launch initiatives to gain the release of these people."

We know from the TV, press, and radio that the state authorities have already taken the first steps in this direction. That is very good. Let other steps follow. Let those released from remand centers and prisons also include the five detained students from my college, the Catholic University of Lublin. I am not aware of any of them having been released so far. I am appealing for their release to you, Mr Minister of Justice, and to you, Mr Prosecutor General. For social peace is today the most important matter for the nation. The Polish Church has been stressing this for some time now. Let me conclude by quoting a great Pole, Stefan Cardinal Wyszynski. In 1974 he said: "It is to the great credit of the church that it has never abandoned the Polish people and has not stopped its work, even in the most difficult situations." Let us remember this when we speak about creating proper relations between the people and the church, between the state and the church, in this, our homeland.

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POLAND

MESSNER VISIT TO MOSCOW REPORTED

Warsaw RZECZPOSPOLITA in Polish 18 Dec 85 p 1

[Text] The 41st Extraordinary Session of the Council for Mutual Economic Assistance began in Moscow on 17 December. The delegations of member countries are led by the heads of government. The Polish delegation is chaired by Politburo member, Premier Zbigniew Messner.

Other members of the delegation are Politburo member and Central Committee Secretary Marian Wozniak, Vice Premiers Wladyslaw Gwiazda and Zbigniew Szalajda, head of the PZPR Central Committee Economic Department Marek Holdakowski, ministers, and experts.

On the first day, the session was addressed by the chairmen of all delegations.

During his stay in Moscow, Premier Zbigniew Messner met with his Soviet counterpart Nikolai Ryzhkov.

During the meeting which passed in a cordial and friendly atmosphere, the two statesmen exchanged information on the development of the socioeconomic situation in both countries and the preparations for the 10th PZPR Congress and the 17th CPSU Congress. Both sides voiced profound satisfaction with the state of fraternal Polish-Soviet relations, the growing role of cooperation between both countries in implementing the tasks of the building of socialism and in strengthening the international position of socialist countries in the interest of the consolidation of peace and in ensuring the security of their peoples.

The two premiers stressed the importance of the extraordinary Comecon session in Moscow in the context of the consolidation and increasing the effectiveness of the efforts of socialist community countries to further scientific and technological progress. The attainment of this important goal is enhanced by the implementation of the long-term program of development of Polish-Soviet economic, scientific, and technical cooperation up to the year 2000 and of the comprehensive Polish-Soviet program of scientific and technological progress. All of this creates new possibilities for accelerating the socioeconomic development of both countries.

The sides voiced the conviction that the decisive factor for the socialist community countries' success in their pursuit of progress in all areas and in safeguarding peace is the consolidation of their unity on the principles of socialist internationalism and the growth in the leading role of communist and workers parties in the whole creative activity of the fraternal peoples.

The meeting was attended by Vice Premier Zbigniew Szalajda and Soviet Vice Premier and Gosplan chairman, Nikolai Talyzin. (PAP)

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FOREIGN MINISTER ORZECZOWSKI VISITS MOSCOW

Warsaw RZECZPOSPOLITA in Polish 6 Dec 85 p 1

[Text] Moscow (PAP)--Marian Orzechowski, foreign minister and alternate PZPR Politburo member, went on an official friendly visit to Moscow on Thursday at the invitation of the Soviet Government.

He was greeted at Moscow's Vnukovo Airport by Soviet Foreign Minister and CPSU Politburo member Eduard Shevardnadze and other officials. The airport was decorated with the flags of both countries. Polish Ambassador to the Soviet Union Stanislaw Kociolek and Soviet Ambassador to Poland Alexander Aksyonov were present.

Late in the afternoon the two foreign ministers began talks at the Soviet Foreign Ministry. They discussed the most important problems in the current international situation, pointing to its complexity. In this context they stressed the immense importance of the Soviet-American Geneva summit. The Polish minister expressed full support for the position taken by Mikhail Gorbachev during the talks with Ronald Reagan and for the Soviet peace initiatives.

They also examined the state of and prospects for the development of Polish-Soviet cooperation in all areas, emphasizing the cooperation of the diplomatic and consular services of both countries in the struggle for peace and detente. They stressed the great importance of the Polish-Soviet program for cooperation in the economy, science and technology until the year 2000, which the leaders of the two countries signed in May last year. The two foreign ministers pointed to the predominant role of interparty cooperation in Polish-Soviet relations. They noted the continuing progress of cooperation and the considerable opportunities for expanding it in all areas, especially in culture, science and technology.

The talks will be continued on Friday.

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ORZECZOWSKI CONCLUDES FINNISH VISIT

Warsaw RZECZPOSPOLITA in Polish 11 Dec 85 p 1

[Excerpts] PAP correspondent reports from Helsinki: Marian Orzechowski, alternate PZPR Politburo member and minister of foreign affairs, concluded his 2-day official visit to Finland on 10 December.

The main point of the Tuesday program was a meeting at the Finnish parliament (Eduskunta). Minister Orzechowski met there Erykki Pystynen, the speaker. Present was his first deputy, chairman of the Finland-Poland Society, Matii Louekoski.

Minister Orzechowski gave an account of the Ninth Sejm's work and of the political situation in Poland. The two sides agreed that relations between the two parliaments should be expanded, in particular by exchanging parliamentary delegations and party groups. It was stated that this cooperation has a long-standing tradition and that experiences in this area can be further enriched and so can the contacts between Polish and Finnish communities.

The minister then visited Porovoo and Loviisa--industrial towns 100 km east of Helsinki. The first Finnish nuclear power station, started in 1977, is located near Loviisa. The station was furnished with two power-generating units with the capacity of 465 MW each supplied by the Soviet Union.

In the evening, a party was held at the Polish Embassy in Helsinki, attended by Finland's minister of foreign affairs, Paavo Vaeyrynen.

The following is an account of Minister Orzechowski's visit to Finland, supplied by PAP:

The minister of foreign affairs, Marian Orzechowski, visited Finland on 9 and 10 December at the invitation of the minister of foreign affairs of the Republic of Finland, Paavo Vaeyrynen.

Marian Orzechowski was received by President Mauno Koivisto. On behalf of the Council of State chairman, Wojciech Jaruzelski, Minister Orzechowski repeated the invitation for the president of Finland to pay an official visit to Poland. The acceptance of the invitation was confirmed. The

Polish minister was also received by the speaker of parliament, Erykki Pystynen. The talks with Foreign Minister Paavo Vaeyrynen were held in a friendly and constructive atmosphere. They focused mainly on international questions and bilateral relations.

The talks were attended by the Polish ambassador, Henryk Burczyk, and the Finnish ambassador, Olavi Rautio.

The ministers assessed the present international situation and the prospects for its development in view of the Soviet-American summit meeting. They expressed hope that the results of the meeting will prompt a desirable shift in relations between the two powers and will initiate progress in easing international tension and checking the arms race.

It was emphatically stated that the two countries hope some definite progress will be eventually achieved in disarmament negotiations. The Polish representatives pointed to the possibility for improving the international situation and achieving progress in disarmament negotiations which lies in the peace initiatives submitted by the Soviet Union and other Warsaw Pact countries during the Sofia meeting of the Consultative Political Committee in October this year.

Both sides pointed to the importance of UN activities toward alleviating tensions, settling disputes, and consolidating international peace and security. Both countries' contribution to the organization's work was recognized as an important factor in supporting the efforts toward peace and detente.

It was stated that Poland and Finland attach great importance to the continuation and consolidation of the process initiated by the Conference on Security and Cooperation in Europe as an important instrument in upholding the positive tendencies in international relations and stabilizing the situation in that area. This year's meetings in Helsinki and Budapest were recognized as important elements of this process.

As regards bilateral relations, both sides noted with satisfaction that the Polish-Finnish political dialogue has assumed the previous intensity. The meetings between the foreign ministers of both countries, the visit by PRON delegation to Helsinki, and visits by other ministers, resulted in tangible progress in bilateral cooperation and brought about a rapprochement. It was also stated that the situation is ripe for elevating the dialogue to a higher level.

Economic relations were reviewed. It was stated that these have developed correctly due to the traditional forms of cooperation, the complementary character of the two economies and the agreements concluded. The meetings between the ministers of foreign trade and the decisions taken by the joint commission provide a basis for efforts to balance foreign trade between the two countries which has been more advantageous to Poland for many years now. This should be attained by expanding the areas and forms of bilateral

cooperation and trade. According to the Polish side, normalization of financial and credit cooperation would be a factor stimulating such efforts.

Minister Orzechowski invited Minister Vaeyrynen to pay an official visit to Poland. The invitation was accepted, and the date of the visit is to be agreed by diplomatic channels.

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POLAND

KOZAKIEWICZ SEES PRON WANING

Warsaw ZYCIE WARSZAWY in Polish 27 Nov 85 pp 1, 2

[Interview with Professor Mikolaj Kozakiewicz by Alicja Matynia-Bonik]

[Text] Question: An important moment has been reached in the history of PRON. The movement successfully completed two big political tasks: the elections to people's councils and the Sejm elections. What next?

Answer: We now want to ask ourselves this question: Where are we, how far have we got and what will happen now that the two campaigns, which in a way drew this movement together and justified its existence, have ended? We shall be looking back at PRON's record at a meeting of the National Council and the Central Debating Club.

We have been preparing for the National Council meeting for a long time now. A group headed by Professor Marian Gulczynski has prepared a report on the attained progress toward conciliation and on the role PRON has played in this respect. The PRON Secretariat has made a survey among members of the movement in various parts of Poland.

Question: What was the outcome?

Answer: I will not hide that two trends exist within PRON itself. Some of the activists believe that the program of the movement has passed its test and, therefore, there is no need to reconsider anything as "all that is needed now is to go on in the same direction and in the same spirit." The other view, to which I myself subscribe, is that PRON has come to a cross-roads and is facing some risks. After these two campaigns, it may lose its raison d'etre. That is why this appraisal will be discussed at the next National Council session.

Question: Do the appraisals differ depending on the level and scope of PRON activity?

Answer: Of course, the evaluation of PRON activities will differ, depending on whether you relate them to the original concept or the more modest assumptions adopted at the PRON Congress, or whether you relate it to what could be achieved in the given circumstances. The assessments will also be different at central level to that at voivodship or gmina level.

Question: Is your own balance positive or negative?

Answer: From the beginning, mine was a maximalistic program. I believe that the emergence of new forms of political activity, which did not appear before, is an achievement. I mean not only the forms but also the content and scope of the problems raised, the freedom of discussion, and the diversity of the participants.

Question: What exactly would you record on the credit side?

Answer: The launching of the ODRÓDZENIE weekly, for one. It takes up the most difficult problems. Or the establishment of the debating club, which is also an unprecedented formation thanks to the subjects it tackles, the wide spectrum of participants, the views presented there, the courage to address the most sensitive questions. There is the youth forum, the Catholics' forum, the film club. Such clubs came to life in the past in breakthrough periods but they collapsed very quickly, within a few months, under the so-called pressures of everyday life. Those set up by PRON have worked for over 2 years already.

Another great issue that makes PRON grow is the National School Aid Campaign. It proves that by addressing genuine social needs, PRON is capable of releasing the activity of society. We had the Society for the Construction of Schools and later the School Construction Fund, but the recent PRON decisions concerning the establishment of a special school foundation and to extend the program of the National School Aid Campaign to educational problems transcends the earlier experience. It should not be doubted that PRON contributed something new in this area.

Question: What then are the reasons for your feeling that all this is not enough and for your critical attitude?

Answer: Above all I am worried by the fact that apart from the achievements recent years have also witnessed our failures such as failing to take full advantage of those forms of work which I mentioned above, namely debating and film clubs. All of them, in fact, involve only "PRON people." They don't have any major influence.

Question: Why?

Answer: The public does not know much about what really takes place within PRON. So there is no major influence on the state of public consciousness. This activity is becoming a bit like art for art's sake. Limiting this activity to our own community has weakened the pressure exerted on the authorities to implement requests formulated by PRON. Every participant in these debates may say to himself: "We have discussed things freely but what has come out of it?" What seems important is the ineffectiveness of PRON activity and the fact that the debates act as therapy only allowing participants to get things off their chest but has no major influence on the real course of events. This is frustrating.

Besides, PRON has not become a mass movement. According to me this is the essential problem. We have failed with the movement, so be it, let's then make an organization. It may retain its name, PRON, but let us stop illuding ourselves that it has a chance of becoming the spontaneous mass movement which we dreamed of at the beginning.

Another important matter is connected with the fact that both in the congress guidelines and in other documents PRON was considered as a party for dialogue, as "someone" between the authorities and that part of society which either shunned the authorities or boycotted them altogether. Unfortunately, according to me, PRON has ceased to be a party for negotiations and is increasingly becoming an integral part of the authorities.

Question: This certainly is a controversial statement. But if we agree with it, what are the reasons for it?

Answer: It is to these reasons and to the remedial measures that the debates at the coming PRON National Council meeting and at the Main Debating Club, scheduled for this Thursday, are to be devoted. One reason why PRON has not become a movement is connected to the fact that it has not become a party for negotiations. As a matter of fact PRON involves the people who are friendly toward the authorities and help them while it was supposed also to involve those who are critical of the authorities. But those have failed to come.

Question: The friendly can also be critical.

Answer: Yes, but those who I am thinking of are severe critics with different views. Why haven't they come?

This is connected to the problem of the organization of the PRON leadership and the adoption of the wrong model for its structure. The distinction between PRON and the state authorities became blurred when members of the state leadership became members of the PRON leadership at the same time. This fact has diminished the credibility of some PRON appeals to the authorities.

For instance, PRON was designed at first as an element for reform of the system. But in my opinion it has become an element of the system. Changes taking place in the system are not a product of discussions or negotiations conducted by PRON but are introduced by the authorities themselves.

In addition to the many useful projects which I have discussed already, many activities multiply which are only window-dressing and people are repelled by them. At the same time, at lower levels, as polls indicate, some local party and administration authorities seem to have concluded that PRON's role ended after the electoral victory.

Question: And what does the report you mentioned at the beginning apply to?

Answer: The report first and foremost deals with the national reconciliation, how advanced is it, what new trends are emerging, and how are people's

attitudes changing. The report concludes that PRON should not be the only platform for agreement. Formerly, the dominating trend was that PRON should hold the monopoly for agreement, while currently the dominating opinion is that PRON alone will not succeed in this role, and other platforms for agreement independent of PRON should emerge. The report is founded on more than 20 polls conducted by various public opinion polling centers.

Organizational changes can only be introduced at the PRON Congress in 2 years' time, but both at the PRON National Council's and at the Central Debating Club's meetings we want to clarify what is necessary to change PRON's conception and its methods of operation, in order to enable it to fulfill its functions more effectively, including its role in socially and politically activating members of the nonaggressive opposition not directed against the system. There are fears that if this is not done, PRON, a useful movement, will not develop and press for modernization of Poland's socio-political system. Neither will it give persons outside parties and organizations a chance to politically influence the flow of events, thus failing to achieve PRON's main target.

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POLAND

PRON DEFENDED IN INTERVIEW

Warsaw ZYCIE WARSZAWY in Polish 4 Dec 85 p 1

[Interview with Professor Jerzy Ozdowski by Alicja Matynia-Bonik]

[Text] ZYCIE WARSZAWY: How do you perceive PRON's future, Professor? ZYCIE WARSZAWY has recently published an interview which indicated that PRON was more of an organization than a movement.

Professor Jerzy Ozdowski: It is too early for comprehensive assessments. We should bear in mind the situation in which PRON emerged and the fact that it had to search for its own principles of operation, while pursuing important and ambitious targets: agreement, revival and progress in democratizing the system of power in Poland. Let us recall the origins of the movement. It emerged spontaneously from the Civic Committees of National Salvation (OKON). It is our duty to do all that is possible to support good causes and strengthen the trends which arise from the wishes of the public.

PRON played a positive role not only in preparing the elections to people's councils and the Sejm, but also in direct social and interpersonal relations, linking various initiatives which emerged on a regional or national scale. PRON is a very broad movement, open to diverse approaches. It constitutes a bridge facilitating the flow of information from the public to the authorities, and also a platform upon which the authorities can present their point of view to the public. This notion of a bridge perhaps best suits the trends of the people, who first set up OKON Committees and then the advanced forms of activity which took shape as PRON bodies. The more flexible PRON is, i.e., the better it reacts to the changing situation in Poland, the better it will play its role, because the past does not determine the future.

So PRON should be treated dynamically, as a movement created by Poles who were guided by civic concern. The more searching that is carried out, based on the Constitution, but at the same time open to public needs, aspirations and hopes, the better for PRON in meeting its tasks formulated at the First Congress during the next 4 years.

We are only half-way through this 4-year period, and we are continually searching for methods which must be adapted to the tasks facing Poles in the late 1980's in the sphere of dialogue, shaping approaches and behavior, and in the area of national agreement.

Perhaps PRON could have done more, could have been more effective, could have been a more active movement in some sectors of national life. But its achievements are--I will not hesitate to say it--historic. PRON was an innovatory movement and I hope it will remain a movement shaping the climate in which Poles can be brought together and strengthened in their daily concern for public affairs. PRON described itself as a movement, but not a mass movement, which would authorize its political role by quantitative results.

ZW: Some say that PRON is a part of the authorities and not the authorities' partner. What do you think?

Ozdowski: I became involved in this movement early, when answers or defined main ideas were not available. PRON was to be a movement proposing initiatives, acting as a patron, supporting proposals serving national agreement. This was clearly defined in the declaration issued by PRON signatories on 20 July 1982. This declaration provided acceptance for everything that joins Poles, for all the supreme values, which comprise a collective and individual obligation to serve for our state's common good. This declaration strongly emphasized the double openness of the movement--both to social aspirations and to public affairs presented by the state authorities. It prescribed what patriotism should be today, patriotism expressed in thoughts and actions.

A search for agreement between all who accept the constitutional principles of social life and are guided by the Polish *raison d'etat* makes PRON an opinion-forming movement, which does not strive for monopoly for social initiatives, but on the contrary, supports these initiatives and various forms of society's self-organization. PRON is not the authorities' institution, but a platform from which to influence the authorities and society.

As I have said, PRON plays two important roles: that of a two-way bridge between the government and society, and a promoter of processes of society's self-organization. And this is what we, PRON activists, should be accountable for. It is a pity that the ideological value of the principles defined in the declaration and PRON Congress' resolutions have not been fully used.

ZW: Why?

Ozdowski: We live in a civilization of pictures, not written words. People do not read enough, they have not examined the documents adopted at the PRON Congress, for instance. This is very important, because it is difficult to propagate values without knowing ideas, which are the main spur of action.

ZW: The need persists for politically activating the passive part of society, and also the antistate opposition. But these people remain outside the PRON movement.

Ozdowski: Right from the outset we strongly emphasized that we are open to all who in the thick of the storm would like to make efforts to save their homeland. PRON was and has remained an invitation to all who feel responsible for the Poles' future. One thought included in the declaration is

particularly important: "In work for Poland, there should be no divisions into PZPR members and others, into believers and nonbelievers." We have no desire to discriminate against anyone who bases himself on the Polish Constitution and is willing to participate in the movement in the name of the supreme good, the good of all Poles. We addressed our declarations and appeals with vigor to all who had become lost and passive during the crisis, and remained alienated. We are continually turning to all guided by the love of their homeland and believe that our activists should be involved in social matters, ready to object to all that is evil or leads to evil. We do not wish to be a movement of conformists. We do not wish to produce people who resort to evasion and blindly copy others.

Believers predominate in Polish society, hence the July declaration and the program adopted at the congress were addressed to Catholics and Poles representing other Christian denominations and non-Christian religions. It was an innovation that PRON signatories, in addition to the PZPR and political alliances, included three associations of Catholics and Christians. We asked believers not belonging to any civic organization to join PRON. The July declaration emphasized the great authority of the Catholic Church and the need for dialogue between the state authorities and the Roman Catholic Episcopate. This invitation has to a large extent been well received.

The basis of such openness to the masses of Polish Catholics was PRON's recognition of the great role of the Catholic Church in shaping Polish history, protecting our national identity and educating believers in the spirit of responsibility for the good of the homeland. PRON became an opportunity for Catholics to have greater involvement in promoting ethical attitudes in national life. Catholic social thought is close to the idea of revival and national agreement in that it promotes truth, justice, love, and freedom--the four pillars of social peace.

A new formula of meetings for exchanges of thought and initiative called the Forum of Catholic Social Thought was set up for Catholics who do not belong to civic organizations. In 1983-85 we met many times to examine and put into practice the ideas contained in the social teaching of the church, and in particular in the documents of Vatican II and the teaching of Pope John Paul II. Here are a few of the forum's leading topics: the guidelines stemming from the teaching on peace, the civic duties of lay Catholics, work ethics, forms of family assistance, moral revival as the basis of national agreement, and the role of Polish lay Catholics with regard to the Sejm elections.

The above topics were examined practically, searching for conclusions that can be drawn from the church's social teachings for the good of the Polish people. Strong emphasis was laid on agreement and unity among Poles, in accordance with Pope John Paul II's words: "Unity is a meeting in truth and love."

ZW: What is the scope of the Forum of Catholic Social Thought?

Ozdowski: Hundreds of people arrive from all over Poland. Thoughts were expressed freely. Constructive criticism is also heard.

I wish to stress that PRON faces the opportunity to shape public opinion and consciousness without being a mass movement.

The idea of telling Poles that the situation is worse than it is in fact is just as discouraging as overoptimistic assessments. Our movement demands open statements. Some, however, see nothing but fault, failing to perceive the good sides. I believe that confidence should not be allowed to vanish in spite of obstacles and difficulties. Such an approach makes one energetic and strengthens persistence.

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POLAND

MIODOWICZ ON OPZZ AT FIRST ANNIVERSARY

Warsaw ZYCIE WARSZAWY in Polish 18 Nov 85 p 2

[Interview with Alfred Miodowicz, OPZZ chairman, by Romana Kalecka: "A Year After"]

[Excerpts] Nearly a year has passed since the All-Poland Trade Union Alliance [OPZZ] was set up in Bytom. The group of deputies recommended by trade unions which sits in the Polish Sejm is the strongest in the postwar period and the OPZZ chairman is now a Council of State member.

There is no office of minister for trade unions in the newly formed government. This means that a certain stage has been closed in the trade union movement's operation and also that the movement has become a lasting element of the state's sociopolitical structure. PAP asked OPZZ Chairman Alfred Miodowicz for more detail on the subject.

PAP: What is your assessment of the first stage of the OPZZ work?

Alfred Miodowicz: It can be assessed from two angles. For the OPZZ Council and the Executive Committee, this was a period of intense activity in order to make sure that none of the first assembly's accomplishments were lost, and so that the OPZZ could come up to public expectations. We were also preoccupied with organizational matters, including the OPZZ statutes, its legal status and also, with taking over the former trade unions' assets. We must use these assets very economically and this is not easy given the OPZZ's modest income which comes only from the voluntary contributions of trade union federations.

As for trade union members, however, this period has left them with a feeling of anxiety and doubt as to whether the organization will be in a position to protect the living standards of working people. It is a fact that some improvement in the consumer market has been observed, although this is accompanied by alarmingly high price increases. Summing up, the progress achieved during this year generally fell short of public expectations.

Question: Did you start any important ventures?

Answer: The unquestioned successes of the OPZZ include the priority the housing question has received, although so far this has happened only in

the sphere of propaganda. In order to pilot the issue in accordance with public expectations, the OPZZ leadership resolved to take part in the National Housing Council. So, it is advantageous to us that after the most recent cabinet reshuffle, all the problems relating to housing are concentrated in one hand.

The government's decision to abandon the practice of embarking, at the beginning of each year, upon major price increase operations is another of our achievements. The planners seem to be finally aware of the fact that a price policy cannot amount to a random operation carried out in isolation from an income and in particular a wage policy, which has to be tied closely to productivity rates.

We have also succeeded in persuading the central state administration to agree to introduce new collective agreements beginning next year, which are supposed to ensure that wages are tied closer to the results of work.

We have also frequently spoken out about the, often very dramatic, situation of pensioners who have worked for the country most of their lives and who are entitled to decent financial conditions on account of their ZUS [National Insurance Board] contributions, if for no other reason. Due to our determined position on this issue, the problem has now become one of the most urgent; it cannot be resolved without amendments to the relevant legislation.

Our major accomplishments also include the return of our trade union movement to the World Trade Union Federation--the greatest international trade union organization in the world in which Poland had been active for 40 years now.

Question: What kind of questions are still at a stalemate?

Answer: We have problems trying to execute the demands regarding the establishment of a minimum standard of living as a starting point for the pursuit of a reasonable social policy. This is why it is essential for us to determine our own position on this issue.

Question: There must be something wrong with the system of cooperation with the government. Recently nothing has been heard about government-trade unions negotiations. Could they possibly be limited to behind-closed-doors talks?

Answer: The government's Committee for Trade Unions was a good cooperation platform at a time when our movement was being reborn, when the first federations were being formed. Today, there is mainly a need for negotiations on strictly economic matters and, in this respect, the present contacts are inadequate. If these were behind-closed-doors contacts they would permit discussion. As it is, there are only contacts of a formal nature. Out of the many government-union bodies established half a year ago, only one seems to still function normally, the one in charge of the money supply--consumer market equilibrium.

I cannot imagine the future government-trade union contacts being limited only to the sectoral and ministerial level. It is the trade union movement's statutory right to express its opinion on matters of crucial importance to the working majority. This is why there is an urgent need for a central platform for the exchange of opinions in the form of periodic meetings between the government Presidium and the OPZZ Executive Committee Presidium. The first meeting should be devoted to next year's price policy obviously within the Central Annual Plan limits. The question involving the extension of working time in certain enterprises should also be urgently raised; it is quite understandable that such a possibility could have been considered for a 3-year period, up to the end of this year. However, people should understand the reasons why the relevant regulations were to be extended. It is enterprises themselves which ought to take decisions to this effect should the necessity arise, provided they are able to provide people with a job to do in the extended working time, and, provided their work force agrees to such a solution.

Question: Let's pass on to another matter. Trade unionists' presence in parliament is seen by some people as the trade union movement being incorporated in the state authorities' structures.

Answer: I am aware of these doubts. However, already during the meeting in Bytom the opinion prevailed that trade unions must have an influence on whatever is going on in the Sejm. We could choose between becoming an outside pressure group, or kind of a union lobby within the Sejm. As a trade union movement of a class character, we have chosen to demonstrate our responsibility for our socialist state, and our presence within the supreme state authority. As a result of the election campaign, during which the trade union movement displayed exceptional activity, 52 candidates recommended by the movement were elected Sejm deputies.

"Our" people operate primarily in those Sejm commissions which draft decisions regarding matters of the utmost importance to working people, including social policy, national education, youth, housing, environmental protection, economic planning, the budget and finance.

We are also in the process of organizing a group of trade union-recommended deputies to operate within the PZPR Sejm caucus, but it will be open also for deputies from other political alliances.

Question: Won't such a location of this group limit the independence of trade union-recommended deputies?

Answer: I do not think so, at least, not after our past experiences. I hope for sharp clashes of opinions and for heated discussions during the meetings of the Ninth Sejm's commissions, and also during plenary sittings, as we represent different points of view on the methods of reaching the same overriding goals. We also hope for understanding from trade union members who consider the protection of the working people's interests to be their chief duty, even if this duty is conceived subjectively.

Question: And how do you, an active trade union leader, feel as a Council of State member?

Answer: I see this as a consequence of the fact that I represent trade unions at the Sejm and also an expression of recognition for an organization numbering 5.6 million. This has nothing to do with being incorporated in the central administration apparatus. The Council of State supervises the operation of people's councils, has an influence on law and order in the country, including the exercising of social justice, and on many other matters of crucial importance to working people, and--which is particularly significant--has legislative prerogatives.

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POLAND

SECOND NATIONAL IDEOLOGICAL CONFERENCE BEGINS

Warsaw TRYBUNA LUDU in Polish 27 Nov 85 p 1

[Excerpts] PAP--On 27 November, the Second All-Poland Party Ideological Conference opens in Warsaw to discuss the PZPR draft program.

The meeting will be attended by about 500 delegates, including party activists, researchers, scholars, experts in Marxist ideology, and members of the Editorial Board for the PZPR Program.

Taking part are also representatives of major industrial plants, representatives of large civic and political organizations, trade unions, literary and artistic communities, and journalists.

The main objective of the meeting is to discuss the draft PZPR program and, against this background, key problems involved in the policy pursued by the party. The conference is taking place at a time particularly significant to the organization, on the eve of the campaign preceding the 10th PZPR Congress.

Based on class and ideological unity of the party, the Ninth Congress resolution states that the program should spell out the goals of socialism, specify long-term guidelines for socioeconomic development and for improving socialist democracy in Poland, and lay down tasks for the party and the methods of exercising its leading role in Polish society.

The work on the draft program is still in progress and it is extremely comprehensive; proposals and suggestions regarding the document have been forwarded within the PZPR Central Committee Ideological Commission and during PZPR Central Committee plenary meetings, including those devoted to the joint PZPR-ZSL agricultural policy, and to specific questions such as methods of consolidating the worker-peasant alliance, the working class' role in the party and in the state, problems faced by the younger generation, the role of the intelligentsia in socialist development, tasks for the party in strengthening the state, in developing socialist democracy, in consolidating law and order and in enhancing social discipline.

In accordance with the position taken in March last year during the National PZPR Delegate Conference, the draft program, supplemented with conclusions

from nationwide party discussion and from consultations held within local party organizations, and subsequently endorsed by the Central Committee, should be submitted to PZPR delegates before the 10th PZPR Congress.

The conference will be held at two levels: on the plenary forum and, simultaneously, within eight problem groups whose terms of reference correspond to the subject--matters discussed in individual chapters of the draft PZPR program. The debates will last for 2 days.

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IDEOLOGICAL CONFERENCE REPORTS

Warsaw RZECZPOSPOLITA in Polish 28-29 Nov 85 pp 1, 2

[Excerpts] PAP--The Second All-Poland Ideological Conference of the PZPR was held in Warsaw on 27-28 November. The debates were attended by PZPR First Secretary Wojciech Jaruzelski and members of the Politburo and Central Committee Secretariat. The conference was called to discuss the PZPR's draft program.

In all, the conference was attended by 500 people--party activists, academics and experts in both theory and practice, and also representatives of the biggest factories, of mass organizations and trade unions, and of cultural milieux and the media.

Opening the conference, Jozef Czyrek recalled that the first ideological conference held 3 years ago had mapped out the tasks facing the party in its ideological work during the period of emerging from the worst phase of the crisis. It contributed a great deal to the consolidation of ideological unity and the strengthening of the party, he said.

"Today the situation is qualitatively different, both in the party and in society as a whole. However, this is not to say that the importance of the party's ideological work has diminished; on the contrary, the tasks it faces have become even more demanding. One such strategic task is for the 10th Congress to draw up the party's new program."

The conference was later addressed by Wojciech Jaruzelski.

Central Committee Secretary Henryk Bednarski then presented a report on the programs of the PZPR's sister communist parties and the conclusions to be drawn from them. He pointed out that "in a world characterized by class divisions, there is an objective need for close cooperation between the socialist nations and states to solve the crucial problems of internal development and of our foreign and defense policies, for socialist economic integration, for a broadening of cultural exchange and for a consolidation of our understanding of the community of the ideological aims and historic destiny of the socialist nations and states."

"The recently published draft of the new CPSU program, which sets out guidelines for developing socialism in the new and higher stages of communist construction, is an important document both politically and theoretically for the world working class movement, and especially for the socialist system. Work on the revised draft programs of the CPSU and the PZPR has been going on in parallel, yet independently.

"In their draft programs, both parties put emphasis on similar themes, namely, on economic efficiency, especially the progress of the scientific and technological revolution and the revolution in management techniques, on the need for a constant deepening of socialist democracy, on the development of fully humanistic interpersonal relations, in line with the immense possibilities opened up by our system on the importance of the unity of the socialist community and on the strengthening of the international solidarity of working people in the struggle for peace and social progress."

The conference then split up into eight working groups to examine individual chapters of the PZPR program.

Reports on the work of individual groups were presented on the second day of the conference.

Many valuable remarks were then submitted during the plenary debate. Speakers voiced the view that the draft program presented to the conference provides a good basis for further work on this important document. The important thing is to make sure that the proposals included in the PZPR program stand the test of practice, withstanding external and internal pressures and satisfying the needs and aspirations of the working class, the main force of the nation. It was strongly emphasized that the political philosophy of this document must express the desire for a creative continuation of the proven line of the Ninth Congress, the line of struggle, conciliation, and socialist reforms.

The discussion was summed up by Politburo alternate Marian Orzechowski, chairman of the Editorial Commission responsible for the draft PZPR program. He pointed out that 120 speakers had taken the floor in working groups and at the plenary sessions, and 36 more had submitted statements to be entered in the minutes. He added that the problems raised at the conference often transcended the scope of the program itself.

Orzechowski also voiced the view that, unlike similar party documents in the past, this program must answer the challenge of modern times.

Jozef Czyrek, who was the last speaker, emphasized the significance of the conference for the discussion of the party program. He said the conclusions from the conference would be analyzed by the Politburo, which would then pass on its instructions to the Editorial Commission. Thus amended, especially taking into account the remarks contained in the speech by First Secretary Wojciech Jaruzelski, the draft program is to be submitted to the Central Committee, which will decide on presenting it to the party and to society as a whole.

Jozef Czyrek emphasized that the course of the discussion demonstrated how badly it had been needed to improve the draft program further. "From this point of view, the conference lived up to the hopes we had placed in it."

Jozef Czyrek then pointed out--as Wojciech Jaruzelski had emphasized: "The PZPR program must be the work of the whole party, not just of party academics working in their cozy offices, and it must reflect the collective wisdom and experience of the whole party. We need a program that will receive the support and trust of the working class and of all working people in Poland."

Czyrek then stressed that the discussion on the draft program would be an important element of the pregress campaign and should enliven the ideological life of the party. It should confirm the importance of the party's ideological work for the successful implementation of the line of the Ninth Congress and, most important, strengthen the unity of the party on the basis of joint assessment and a joint selection of the principal lines of development of society and of the state, demonstrating that Marxism-Leninism is a live and creative ideology which provides the basis for the working class, led by the party, to build a system of social justice.

The party intends to present this program for the development of our socialist homeland to the whole nation, in the conviction that the necessary conditions have already been created for overcoming the difficulties and dangers and facing the challenges on which development depends. We have to attain a rate of development that will make the country strong while ensuring the just and democratic character of social relations, strengthening our economic and cultural potential, and helping Poland to regain full respect in the world and resume a significant role in the international life." [quotation marks as published]

Jozef Czyrek expressed the belief that the broadest possible discussion of the draft program would constitute an important new step in expanding national conciliation. "For this conciliation, for the bonds between the party and society, nothing can be more important than agreement as to the direction in which we want to proceed, what we want to achieve, and what we want to concentrate our efforts around."

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POLAND

COLUMNIST BLASTS ATTACKS ON PRIVATE HOUSING INITIATIVES

Warsaw VETO in Polish 3 Nov 85 p 3

[Article by Scorpio: "Being and Consciousness"]

[Text] I have for a long time felt certain that the press published outside Warsaw is an endless source of true information about our country. I was not, therefore, surprised to learn from GAZETA KRAKOWSKA No 210 of 9 September that "nothing and nobody was spared" during the last public discussions. This catchy phrase headlined a report by two GAZETA KRAKOWSKA reporters, Mr E. Cegla and Mr S. Rydza, who summed up the subject matter of these meetings. Everyone knows that many diverse proposals and postulates are made at meetings and during discussions, and they include just ideas as well as totally irresponsible opinions. The reporters' role is to collect these proposals, select, and publicize them. GAZETA KRAKOWSKA reporters met this task with ardor. Let us quote:

"A lot of dissatisfaction among city residents, especially young people, stems from the housing situation and municipal undertakings. The public predominantly agrees with the opinion of the All-Poland Trades Union Alliance (OPZZ) that only radical solutions which change the entire housing system will bring about the desired results..."

What are these radical solutions to consist of, ask impatient readers. The answer comes immediately:

"A lot of criticism was heard of social injustice in cities and villages, tolerance of nouveaux riche schemers who own several apartments and are often protected by a special social status, and the antisocial attitude of thousands of private farmers, whose beautiful new houses stand vacant waiting for their children or grandchildren in 10 or 20 years from now, while modest and honest people wait for a place to live, often in tragic conditions. After all, these beautiful villas are constructed from materials and equipment in short supply. If only some of these houses could be let out for teachers, doctors, veterinarians, and other specialists badly needed in villages, the problem would be partially solved."

End of quotation, perhaps too lengthy anyway, but one which precisely explains how GAZETA KRAKOWSKA reporters think the housing problem in Poland

should be solved. I doubt that the essence of the new OPZZ proposals expected with great impatience will offer the same solution.

I must admit the above ideas did not come as a surprise to me. A return to obligatory housing management and the depriving of upstarts of their fortune corresponds to the consciousness of the Polish public, especially as there is a precedent for such an operation, although it led to a total ruin of housing resources, as has often been mentioned in the Sejm and at various meetings devoted to the need to salvage the housing situation from total devastation. Those willing to distribute other people's property think that joint ownership is a higher form than private ownership as long as this does not involve their personal property. Arguments in favor of doctors and veterinarians are always available. Let us note that according to these supporters of social justice, the very fact that "mean schemers" build houses for their children and grandchildren, using their own money, is highly censurable. It is socially just, however, for the state to allocate apartments to citizens for a fraction of their value, financing the remaining part from the state budget, i.e., from taxes paid by the whole of society.

The approach of peasants is particularly blameworthy. Instead of wearing rags, feeding on pigweed and living in mud huts, this greedy class of land owners has built for itself houses with toilets and bathrooms from bricks which are in short supply. There were plenty of bricks in Poland as long as private brick-kilns existed, but these were shut down and are now impossible to rebuild in spite of the most lenient--according to the finance minister--tax system in Europe. But then who cares about facts? Although housing construction run by the state is clearly insufficient to meet the needs and it is even difficult to determine how long one must wait for an apartment, GAZETA KRAKOWSKA reporters propose a fast and radical solution to housing shortages. First we should promote private housing construction--let various naive guys full of energy and loaded with money build their own houses, villas, palaces, and residences, and then extra residents can be assigned to these houses, thus eliminating the owners' status of kulaks, and absolutely everyone will have an equal share, because this, as we know, is the essence of social justice. And besides, everyone will be living in a villa, and not in an apartment house.

This is no joke. On 9 September, ZYCIE WARSZAWY published the results of public opinion polls on the consciousness of Poles. Only half of the respondents thought that the employees of prosperous enterprises should earn more than those working in a firm which loses money, and manufactures bad products which do not sell. When asked who should be given more money--those who work best and help the economy, or those with the lowest earnings, only 30 percent of respondents thought good workers should be rewarded! In reply to another question, over 60 percent of respondents said that the state, and not individuals, should secure the people's well-being, which proves that an overwhelming majority does not wish to do any extra work and thinks the state should divide national income so as to ensure that the more efficient workers support the lazy ones. Finally, the respondents were asked if they would rather have a state in which incomes are similar for all,

and there are no rich and no poor, or one in which success depends on energy and enterprise; a great majority opted for the former version, once again confirming the truth of an anecdote about a cauldron of hell filled with Poles, which does not have to be guarded, because anyone seeking to escape will immediately be pulled back in by his fellows.

The above polls were made to determine whether or not the social consciousness of the Polish public indicates a readiness for the economic stagnation and leveling differences to the lowest level, must be replaced by rewarding the efficient and the educated and those with enterprise. Unfortunately, there is nothing to indicate that the public has any concept at all of rewarding achievement, good work, invention, organizational innovation, etc. Worship of mediocrity cultivated in public consciousness for years is hard to get rid of. The public refuses to accept the fact that some are more diligent, more talented or better educated than others. This can be seen from the monthly salary supplement paid to those who have a PhD, or know foreign languages; these supplements are only enough to pay for a few bottles of beer. The public criticizes miners for working weekends and earning more than the national average, farmers for the fact that their crops grow when they are asleep, or sailors for getting ridiculously low expense allowances, but paid in dollars.

This is a purely Polish phenomenon. All over the world people would like to work less and earn more, but they understand that better and more diligent work means higher pay and better living conditions. It is only in Poland that anyone who is better off is considered a personal enemy, and one can get away with calling such people schemers, dodgers, and nouveaux riches, although Polish society was leveled economically in 1945 and the present differences between two farmers with equal plots of land result primarily from work and good management, or waste and drunkenness. With only a few exceptions, the current differences between the living conditions of families--in cities too--stem not from their ownership of prewar capital or property, but from the families' work and achievements in our socioeconomic system. The concept of continually improved social justice, which is not interested in greater production outputs, but in taking things from others, does not bring hope for more products or for implementing the economic reform.

The opinion seems to be spreading that our crisis is neither economic nor social, but first and foremost a crisis of will, intelligence, and a desire to overcome the crisis, linked to hope that someone will solve the problem for us, work a miracle, and give us success and prosperity as a gift. Unfortunately, so far no society representing such a passive approach has ever overcome a crisis.

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POLAND

COLUMNIST BEMOANS STATE OF HISTORICAL RESEARCH

Warsaw POLITYKA in Polish 7 Dec 85 pp 1, 10

[Article by Jerzy Topolski: "Historical Science's Needs and Possibilities: A Sense of Doom"]

[Excerpts] History is one area rather conspicuous on the map of research activity in Poland. During the past 40 years, historical researchers have explored different events of the nation's past in more and more detail, which, incidentally, is in line both with the more general world trend in historiography as well as with the needs of Polish historical research. Many very significant scholarly discussions have been held during the past 40-year period which cast a better light on some major moments in Poland's national history.

One important feature of Polish historiography in the postwar period has been its ability to combine case studies with generalizing syntheses. Simultaneously with this particular kind of research, Polish historians have been engaged in theoretical and methodological studies. Polish history can be said to have won a lot of prestige in the community of historians worldwide on account of this general line of research work. Polish historical studies have been translated into foreign languages more and more often.

The development of historical research in this country has resulted in the appearance of the term "the Polish historical school" and its relatively high rank in world historiography. The prominent modern historian, Professor Arnaldo Momigliano in his 1979 review of world historiographical accomplishments, named Poland as among the three leaders in historiography in the world--next to the French and American historiographies--praising it for the variety of inspirations it displays. Whether or not this particular ranking is legitimate, it is unquestionable that Polish historical research has won a strong position both in the international community and among different research disciplines inside Poland.

The latest crisis found Polish historical research with considerable intellectual potential and high prestige both at home and abroad. While the overall slide in living standards instantly created the same difficulties for historians as for other people, research activity, preparation of studies for print, research planning, and even efforts to establish new contacts for

research cooperation, all remains as vigorous as before. I am underlining this to reject the occasional charges which imply that research activity has generally declined in Poland's universities.

Checks

Having said all this, I have to say now that I see flourishing historical research in Poland facing a period of various checks which are likely to block its development in the future, and that in my view its prospects for the future strongly depend on the extent to which these checking mechanisms will be weakened or neutralized. Although different difficulties appeared before, it is in recent years that the above-mentioned mechanisms have been multiplying dangerously, creating multiple hazards for the future and making historians fear for the future of historical research.

The worst of these recent developments is the limited potential for publishing historical studies and the prospects in this area. The situation is particularly bad as far as the printing of books is concerned. Whereas in 1980 more than 4,000 scholarly works appeared in Poland, only some 2,300 appeared in 1983. The backlog of historical books at publishing houses, research institutes, and universities waiting for publication has been growing, while journals have been appearing far behind schedule. Historical studies need first to appear in print before their full value can be assessed by reviewers. In a letter I recently received from a research institute I read: "If a journal takes 2 years to appear in print, does it make any sense to write reviews or polemics if the entire span of time from a book's appearance until a reply to the reviews can appear can grow to some 5 years?" This may well be one of the chief reasons for the evident decline of scholarly criticism and discussion.

Foreign Contacts

No less dramatic is the slide in possibilities for contacts with foreign historical research centers. As such two-way contacts have long been very close, the community of historians is particularly upset over the growing difficulties in this respect. Above all, the already small flow of foreign publications to Poland has decreased to a trickle. Some historical institutes have been barred from buying even a single publication for convertible currency in recent years.

As for trips abroad, because Polish institutions are now virtually devoid of all funds for financing such trips, Polish historians have become almost entirely dependent on foreign research centers in this respect. The latter should be thanked sincerely, for their invitations enable Polish historians to maintain foreign contacts thus acquainting themselves with foreign research and "exporting" their own research results. However, as things are now the Polish historical community is unable to draw up any sensible plans for training researchers, especially young ones, in foreign centers.

Whereas Poland's current economic troubles make any significant early change for the better a remote possibility, expanding the above-mentioned "export"

of Polish historical studies seems a more feasible possibility. Apart from sporadic studies appearing in foreign languages, the historical community has managed to found both ACTA POLONIAE HISTORICA and STUDIA HISTORIAE OECONOMICAЕ as regular collections of studies designed to keep foreign historians informed about Polish historical research, as well as POLISH HISTORICAL LIBRARY (issued by the Polish Historical Society together with the Polish Academy of Sciences Historical Committee) as a series of translations of original Polish studies. But each of these series is facing serious difficulties.

Financial Plight

Generally, Polish historical research is on its way toward isolation from world historiography, chiefly because of its financial plight. This continuing and aggravating process is in itself painful, but the fact that contacts established previously are being lost while practically no possibilities exist for any sensible planning in this area is no less distressing. It has already become difficult to finance Polish historians' trips to attend international congresses.

Another of the checking mechanisms to be mentioned is the overall shortage of funds for financing collective research undertakings. These projects are now quite common in different countries as a good way of arriving at more general results than an individual student is able to produce in isolation. Funds are drawn from different sources in these countries (say, from various endowments), and the amount of money assigned for such projects seems to be growing generally. In contrast to this, Polish historians unfortunately see the amount of funds for collective research undertakings diminishing. Policies in this respect should be more favorable for this kind of research, provided that they do not get bogged down in red tape. Maybe a special fund should be created for financing research projects proposed by historians (perhaps of a similar type to the Mianowski Endowment)?

Parochialism

Another distressing development to mention is the growing parochialism, or marginality, of historical research in Poland. This process has become particularly aggressive recently, presenting a danger not only to small research centers but even to the largest ones. The inept foundation of new colleges in Poland, along with the practically nonexistent horizontal mobility of researchers--which elsewhere is a major motive force of progress in research--has resulted in what is a caricature. Try to envisage the life of a historian who stays in some provincial institution bearing the name of an academic center in its designation, who publishes solely in the local journal and has no ambition to explore anything above regional facts. Constant movement of researchers from lesser to more prestigious centers or, if they fail to prove themselves, their elimination from the race, should be a matter of principle. Needless to say, this should hold not only for the small centers. But the general shortage of material facilities (apartments, the cost of living in general) pushes such an ideal picture of research activity virtually to the realms of utopia.

Senior Lecturers a Nuisance

Much the same is true of attracting young talented people to historical research. The chief obstacles in this case include the shortage of new posts as well as the above-mentioned immobility of staff. The overall degradation of the intelligentsia's prestige and the growing hardships of day-to-day life, especially for the young, are extra factors making any effort to follow any sensible personnel policy in historical research futile. Since universities must combine their personnel policies with training tasks, the resulting employment structure is gradually becoming a pyramid turned upside down, for young researchers constitute a decreasing proportion of the staff. As for older researchers, we are now at the stage of an exchange of generations. Outstanding historians of the older generation are leaving to make room for others who do not always match their predecessors in scholarly quality. There is the problem of senior lecturers [adiunkci], those who have been condescendingly allowed to stay at the universities after the new law on higher education took effect and who often do most of the teaching while coping with everyday hardships and bowed under by the weight of the obligatory dissertation they are required to write for the degree of assistant professor [praca habilitacyjna].

The parochialism of historical research is deepened not only by the general immobility of personnel or the retirement of outstanding researchers but also by the long-standing inadequacy of the material base. By now it no longer suffices to talk about continuing shortages of basic equipment (e.g., copiers); we should be entering the microchip revolution in historical research. Libraries and archives should be modernized as a matter of urgency.

To get a true picture of the situation, we ought to realize that historical research has been going through something like a revolution in the past few decades, traditional historiography is being supplemented by factual historiography, explanatory historiography, and theoretical historiography. This is not to say that traditional historiography, which basically establishes facts, is going to be superseded by the new model. The point is that this new model has been increasingly a yardstick of progress in historical research and a condition for the true description (mainly explanation) of the past. This new model has been more and more obvious a fact both in Marxist and non-Marxist research. In Poland, Jan Rutkowski paved the way for this, and later Witold Kula and Henryk Lowmianski did the same. Elsewhere this new type of historiography has been practiced by people such as Fernand Braudel, Miroslaw Hroch, Ivan Kovalchenko, Aron Gurevich, and Jurgen Kocka. This model typically seeks to base research on theoretical concepts.

While Polish historiography is of a good professional quality, it is also, as in most of the world, predominantly traditional (as it establishes facts). It has the potential needed to keep step with the leaders in this area in the march toward the new model, but it must commit itself to a long and arduous effort to build a theoretical foundation. Unless this kind of work is undertaken, Polish historiography is likely to fall increasingly behind, perhaps not in quantitative terms but in its scholarly quality, especially compared with the rapid progress now being made in world historiography.

Theory Inadequate

One may ask why it has happened that Polish historiography, which benefited so much from applications of Marxism in the first postwar decade, is now suffering from inadequate theoretical foundations, despite its considerable quantitative growth? The answer is actually simple. The assault launched by dogmatists--which called forth a reaction in 1956, among other things--was responsible for the fact that Marxism's influence on historical research confined itself practically to the choice of research method. Marxism then inspired many historians to study the masses--peasants and the working class--class struggle in urban and rural areas, etc. However, no remarkable progress was made in applications of Marxist theory to more involved questions, and especially to historical explanation. Being a Marxist in historical research amounted basically to endorsing a definite ideological or political attitude rather than to demonstrating one's commitment to Marxist theory and method.

This particular approach to historical materialism had different consequences. It deprived historical studies of all theoretical foundation because, apart from Marxism, no other specific theory was proposed. Instead, students invoked some isolated general propositions of no specific affiliation, or else, especially in historical studies of recent events (mainly of developments in People's Poland), they sat down to work with some preconceived ideas which their empirical material was supposed only to substantiate. In this way, many studies--say, on the history of the Polish working class movement--amounted to attaching selected facts to some preconceived contention. Needless to say, such practices always implied a certain amount of self-censorship, a deliberate ambiguity of some terms, and so on. It is also increasingly obvious that, in the light of later research, the history of socialist Poland will have to be written anew from the beginning, with many earlier studies being useful only as auxiliary materials or as models of how historical studies should not be written.

There are many more reasons for ambitious Polish historiography to work out solid theoretical foundations for itself. Theory is the main frame of reference permitting an all-embracing analysis of the historical process, that is, by relying on good theory historians can eventually overcome the divergent approach to the past which is so typical of Polish historiography. Only in this way can they overcome the opposition between micro- and macro-history and that between factual description and theoretical explanation.

Gaps, Ambiguities

Apart from the necessity of creating foundations for solid theory and method, without which traditional historical research may find it difficult to overstep the interpretation barrier of ordinary day-to-day experience, historians must realize that the picture of our country's past they are reconstructing is full of gaps and ambiguities. This holds not only for the description of facts but mainly for the truth that without certain kinds of new research it will be impossible to provide any systematic explanation. Thus, to explain human actions (of individuals, groups, classes, etc.), that is, to

account for the process of "making" history by people, it is necessary to reconstruct motivational structures, and hence primarily different forms of awareness of cultural patterns. It is through such studies that history can join directly in the resolution of practical tasks.

Historians in future studies should rely more heavily on all kinds of comparative research, which implies they should expand their own work on world history. Social history should continue to attract the interest of researchers, while the decline of research in economic history must be halted. Synthesizing studies, the most difficult of all historical research, should continue to be undertaken. Such studies put historical events into their global perspective and give an idea of how well a given matter has been explored. Synthesizing studies in the new model should concentrate primarily on explanation. This would make society more familiar with its own history and enhance the potential influence historiography may have on education.

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POLITICS

POLAND

WALESA ATTACKED FOR BORDER STATEMENT

Warsaw RZECZPOSPOLITA in Polish 13 Dec 85 p 7

[Text] PAP--Lech Walesa gave a joint interview to the West German weekly VORWAERTS and the ultraconservative daily DIE WELT.

One question, and in particular one answer, were of exceptional interest. The question was: "What do you think of the discussion continually instigated in West Germany on the issue of Poland's western border?" Walesa's reply: "I am and shall always remain a Pole. I am a trade unionist, however, and not a politician, so I don't want to speak out on the matter."

What can you say to that? We all know that Walesa, although he assures us he is only a trade unionist, talks to the Western press on every topic on earth. He thinks he can and should do this. And then he considers himself incompetent to speak out on a subject about which every Pole should feel competent to talk!

During his recent visit to Rome, Jozef Cardinal Glemp--not a trade unionist--spoke on the matter unambiguously in the presence of West German cardinals.

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POLITICS

POLAND

URBAN DEFENDS HIGHER EDUCATION PERSONNEL CHANGES

Warsaw RZECZPOSPOLITA in Polish 11 Dec 85 pp 1, 5

[Report on Jerzy Urban, government spokesman, regular weekly news conference; date and place not given]

[Excerpts] "There is one problem which must be discussed at greater length," he [Urban] continued. "I promised I would discuss personnel changes at universities and colleges, about which you asked me last week, today.

"The fact that the ministers supervising universities and colleges recalled some rectors, deputy rectors, deans, and heads of other university organizations should not have surprised anybody. Last year the Government Socio-political Committee issued a report on the situation at universities and colleges. That was a critical report. The negative aspects of their performance were discussed at a PZPR plenum devoted to the problems of the intelligentsia. The Sejm also extensively discussed unwelcome aspects of university life during the debate on amendments to the law on higher education," said Urban.

Numerous Western commentaries, as well as those by certain employees of higher schools, on the recent dismissals represent the point of view that academic freedom, autonomy, is a benefit for the satisfaction of the academic community alone. Higher schools are public property, playing an important role on behalf of the entire society. Autonomy should be a means to improve the manner in which higher schools fill this role. If autonomy fails to be such a means, the situation must be corrected. The amendment [to the law on higher education] has strengthened, not weakened, that autonomy. It has given real dimensions to university autonomy. Reasonable, limited rights that are real are better than almost unlimited rights which cannot be adhered to because, for example, they fuel conflicts between the state and its policy representing the universal goals on the one hand, and the sometimes contrary political or narrow professional aspirations of a part of the academic community on the other hand.

The Sejm amendment to the law [on higher education] does not go any further or deeper than the relevant laws regulating life in state universities in the West. Today, the extent of autonomy in Poland is not narrower than in Western countries, on the contrary, it is generally wider. To expose the

few personnel decisions and to miss the extent of autonomy in the Polish university system is a sign of ill will on behalf of Western commentators on the recent personnel decisions.

"In Sweden, all top university positions are filled by appointment. The government appoints the university rectors and chairs. All university personnel are civil servants not entitled to any autonomy. In the United States, the relevant state authorities appoint university boards, delegating their own representatives to sit on them. In Great Britain, the government draws up university budgets, determines enrollment and the number of personnel. In the Netherlands, rectors are appointed by the queen. In West Germany, the minister appoints one of the three candidate-professors proposed by a given university, however, he can discard all the candidates.

"Every country eliminates opponents of the ruling system. It is usually done by the relevant dismissals and appointments. West Germany, however, has passed a special decree banning the employment of so-called enemies of the constitution in public institutions. Employees are required to defend and strengthen the constitutional order. This decree eliminates Communists, for example. Teachers participating in the communist or peace movements, or strikes are particularly victimized in the lands that make up the West German federation, ruled by the Christian Democrats. The total number of political opponents dismissed in West Germany in the 13 years since the decree was passed amounts to 2,500.

"Sometimes the dismissals involve even engine-drivers.

"And yet you have described our moves as astonishing repression. The situation in Poland is measured with a different yardstick.

"After the law on higher education was amended, none of the thousands of academics in top posts at universities submitted his resignation, although anyone could have said that he did not want to work within the new legislative framework. This means that they agreed to work in the system created by the amended law. Nevertheless, some people in top university posts have been acting contrary to state policy, disloyally to the state, and against the socialist character of universities.

"In some cases, the ministers in charge of universities did not reappoint people to administrative posts at universities not only for political reasons. One person has been dismissed primarily because inspectors of the Supreme Board of Inspection [NIK] have found him responsible for obvious wastefulness; yet, the Western press has discussed this as a political case. Some people elected to the top academic posts have turned out to be highly inefficient in organizational terms. Contrary to claims by the Western press, not just political criteria have been considered; proof of this is the fact that a few party members have also lost their positions.

"In accordance with Article 133 of the law on higher schools, a review of the work of rectors and other university administrators was conducted. As required by the provisions of the law, these people's research, didactic,

ideological, and organizational work and their civic responsibility have been evaluated. At universities subordinated to the Ministry of Science and Higher Education, the reviews have been performed by commissions led by top ministry officials, including representatives of the central and voivodship authorities of the PZPR and the political alliances. The reviews have been comprehensive and very thorough; the managerial personnel of universities have taken part in them. Special attention has been devoted to the efficient management of universities and the ability to ensure that they function in accordance with the provisions of Articles 1-3 of the law on higher education, which say that they are socialist state universities.

"Moreover, as I said before, the results of inspections performed by the NIK, fiscal chambers and ministries have been taken into account. The amendments to the law on higher education adopted in July have increased the responsibility of the university administration, especially of rectors, for the functioning of universities. In view of this and the fact that the people administering universities were appointed last year according to different selection criteria, Article 6 of the amendments to the law on higher education, which were passed on 25 July 1985, stated that by 30 November the relevant minister or rector could decide not to reappoint certain persons to their posts. In view of certain anomalies in ensuring that universities function in accordance with the provisions of the law, of results of inspections, and the fact that the voivodship party authorities have withdrawn the recommendations they granted to some people (which is in line with Article 3 of the Polish Constitution, which defines the position of the PZPR in the state), the minister of science and higher education has decided not to reappoint the following rectors: Professor Wladyslaw Findeisen of the Warsaw College of Science and Technology, Professor Franciszek Kaczmarek of the Adam Mickiewicz University in Poznan, Professor Tadeusz Puchalek of the Poznan College of Science and Technology, and Professor Karol Taylor of Gdansk University. Professor Piotr Zalewski has resigned from the post of rector of the Hugo Kollataj Agricultural Academy in Cracow.

"One can hardly expect all rectors elected under different legislation to be willing to put the July amendments into practice. I would like to stress that the results of research work of these people have also been thoroughly reviewed and confidence has been expressed that these people will continue to contribute their knowledge and experience to the development of learning and that their research will promote the development of national culture and economy. The Western reports of professors being dismissed from work were untrue. Only their administrative positions were involved. All of them can continue to carry out their main vocation.

"By virtue of the aforementioned provision, the minister of science and higher education has appointed Professor Zbigniew Grabowski to the post of rector of the Warsaw College of Science and Technology, Professor Jacek Fisiak to the post of rector of the Adam Mickiewicz University in Poznan, Professor Andrzej Ryzynski to the post of rector of the Poznan College of Science and Technology, Professor Mirosław Krzysztofiak to the post of rector of Gdansk University, and Professor Wladyslaw Bala to the post of rector of the Agricultural Academy in Cracow. Moreover, Professor Aleksander

Kabsch has not been reappointed rector of the Academy of Physical Education in Poznan. We do not know if a new rector has already been appointed to replace him.

"The results of the review have also led to decisions not to reappoint many people to lower administrative posts at universities. At a total of around 90 state civilian universities, 60 people have not been reappointed (rectors included), whereupon another 13 handed in their resignations, which means they have not been reappointed either. This produces an average of one personnel change per university.

"Now for the scale of the move. Of the more than 9,000 administrative staff, only 73 have not been reappointed to their positions (of which 13 were on their own initiative). The move has not affected or has only slightly affected two major universities--the Jagiellonian University in Cracow and Warsaw University.

"We believe that the universities will benefit from these personnel changes. Slack research and lax discipline of study are of general public concern. Anomalies in the functioning of universities affect the country's future. The legislation explicitly articulates the tasks of universities, which include socialist education of students. The government expects that all university staff will act in line with the state's policy on science, education, and ideological training. These demands will be made part of regular personnel policy, which is and will continue to be tolerant and patient. This policy will be stable and will be pursued in consultation with and by the academic community. We are not planning any personnel campaigns in the academic community, but people who oppose the socialist state cannot expect that the state will entrust them with the education of young people, to say nothing of university administrative posts," Urban said.

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POLITICS

POLAND

NEW HEAD OF PHYSICAL CULTURE, TOURISM

Warsaw RZECZPOSPOLITA in Polish 18 Dec 85 p 5

[Text] PAP--The chairman of the Council of Ministers has appointed Boleslaw Kapitan (MA) as the new head of the Central Authority for Physical Culture and Tourism (GKKFiT).

Boleslaw Kapitan, who comes from a peasant family, was born at Ostrow Lubelski in 1932. He holds an MA degree in history from the Lomonosov University in Moscow. In the years 1958-1965 he worked as a secondary and college teacher. Kapitan was also involved in political activity in various capacities including that of propaganda secretary at the Lodz-Polesie District Committee, and later as head of the propaganda department, and then as organization secretary at the Lodz PZPR Committee until 1973. From 1973 to 1978, he successfully headed the Central Authority for Physical Culture and Tourism. At the same time he performed a civic function as chairman of the Polish Olympic Committee. When in 1978 GKKFiT was divided [into two organizations], Kapitan returned to his political activity. Until 1980, he acted as the elected first secretary of the PZPR Voivodship Committee in Torun. In the years 1980-83, he was engaged in parliamentary work as a deputy to the Eighth Sejm. Since January 1984, Kapitan has been the director of the Center for Personnel Training at the RSW "Prasa-Ksiazka-Ruch" publishing concern.

In connection with the appointment of Boleslaw Kapitan as head of GKKFiT, on 17 December Deputy Premier Zbigniew Gertych, Minister, Lieutenant General Michal Janiszewski, who is the head of the Office of the Council of Ministers, and Leszek Miller, head of the PZPR Central Committee's Youth Department, met to discuss the key problems and tasks facing GKKFiT in the coming years.

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POLITICAL

ROMANIA

ROMANIAN JOURNAL ATTACKS BULGARIAN 'DISTORTION OF HISTORY'

Bucharest MAGAZIN ISTORIC in Romanian Dec 85 pp 27-32

[Article by Dr. Viorica Moisuc and Dr. Cristian Popisteanu: "What Is the Purpose of Distorting Historical Truth?"]

[Text] As a science of human development, the mission of history is to explain the present by researching the past, and to shed light on the future by explaining the present. And through its conclusions, history is also called upon to help perfect the present society, develop the relations among states and nations, encourage peaceful cooperation among all the peoples of the world, and promote the loftiest ideals and achievements of human civilization.

History can fulfill these functions only if it presents facts and events objectively, according to historical truth, and without animosity and bias. Tendentious interpretations of history, devoid of objectivity, destroy its scientific basis and turn it from the "fundamental book of any nation" into a tool of discord and enmity, confusion and misunderstanding, detrimental to knowledge and friendship among nations, and to understanding and cooperation.

As an historian, this is what the work of Bulgarian researcher Antonina Kuzmanova "Romania's Balkan Policy," brought out in 1984 by the Publishing House of the Bulgarian Science Academy, brings to mind.

In her new work, Antonina Kuzmanova, a popular name in Bulgarian historical science, manages an unspeakable performance: it unleashes a cascade of historical theses full of untruths, invective, and denigrating labels that have nothing in common with a scientific spirit and historical truth, but are reminiscent of a profoundly anachronistic past.

From the very beginning we experienced a bitter taste, as if faced by a pseudo-historical attempt, which is even more disturbing for dealing with a particularly important period in the struggle of the Romanian people and Romania against fascism and war. Much to the reader's amazement, the author's "methods" of research and analysis are wielded to fabricate theses completely unfounded in fact and historical reality, which mutilate the truth either by omission or by falsifying documents, or by presenting them in a truncated manner; at the same time, the author sets down judgments and opinions on contemporary Romanian historical science with the ease of one who thinks of

herself as the holder of absolute truth. Essentially dismissing the achievements and conclusions of Romanian historical science, the author states: "The characteristic traits of the various stages of Romanian foreign policy are difficult to delimitate in the works of Romanian historians" (p 6). It is clear that Z. Kuzmanova understands nothing of Romanian historiography, or perhaps does not want to understand, which is worse, because moral disqualification is more compromising than professional disqualification.

In view of such a statement, any person of goodwill would inquire where one is to find the truth about the history of the Romanian people? By whom and where is written the true history of the Romanian people?

It is incomprehensible how Kuzmanova can take upon herself to label, admonish, and amend the contemporary Romanian historiography, and to unfavorably compare it to works by historians from other countries. We wonder whether the author would agree that the best and most historically truthful works on Bulgarian history are those written in Romania or in other countries.

The method of distortion, falsification, and evasion of historical truth is from the very beginning revealed by procedures that are all the more reprehensible as the author repeatedly availed herself of opportunities to consult documents in Romanian archives and libraries where, at least on the fundamental issues of our national history, she had the correct information on hand. We will dwell here on only a few points of Romanian and world history to which A. Kuzmanova attributes a false meaning, placing them within an empty hull without substance, and in connection with which she takes the liberty of circulating errors with serious implications for the understanding of historical truth.

The author presents her pseudoarguments as if she had not the least idea that in 1918 the revolutionary struggle for national liberation of peoples in the Austro-Hungarian monarchy led to the establishment of sovereign and independent states, thus securing the victory of the principle of nationalities in central and south-east Europe; she writes as if she never heard that the existence of reunited Romania within its natural boundaries, of Czechoslovakia, Yugoslavia, and Poland, as well as of Austria and independent Hungary preceded by 2 years the signing of the peace treaties, which did nothing but confirm their existence at an international level. A. Kuzmanova seems to lecture us that Romania made "territorial acquisitions" in 1878, 1913, and 1918 which the peace conference then recognized (pp 17-18, 19, 203, etc.). According to the thesis that the Paris peace treaties of 1919-20 were of a clearly imperialist nature, we learn that Romania was "alloted" foreign territories and populations, the ensuing result being "a multinational, imperialist state."

Along this line, the author allows herself to assert that "Romanian historiography ignores Lenin's description of the Versailles peace as 'highway robbery,'" "and revises the views of Marxist historiography on the imperialist nature of the Versailles system," "ignoring the fact that the peace treaties left unsolved or provided unfair solutions to the minorities problem in certain countries, Romania among them," "and presents in a false light the results of World War I, which left lasting contradictions between victors and

vanquished." (pp 7-8). Even if A. Kuzmanova draws a thick curtain over historical facts known to all, and even if she indeed believes that a correct image of Romanian foreign policy can be found in the works of foreign historians, particularly in her own work dealing with international relations in the 1930's nothing and no one gives her the right to stick such labels on Romanian historiography. This bizarre inversion of judgment elements leads the author to minimize an objective historical process--the formation of united and independent states on the ruins of the big multinational empires--thus passing the sponge over all the national liberation struggles waged within the Ottoman, Habsburgic, and Tsarist empires. What would A. Kuzmanova think if Romanian historians were to write that the disappearance of the Bulgarian state and the more than 5 centuries of Ottoman domination over the Bulgarian people were a progressive factor, while the rebirth of the independent Bulgarian state was a retrograde act?

Romania's foreign policy in the 2 decades that followed the Great Unification is presented--not analyzed--by A. Kuzmanova according to the same methods of looking at historical truth through a distorting glass: omitting facts, reversing values, and labeling Romanian historians. As a derivation of the erroneous concept that Romania were a "creation" of the peace treaties, there appears the equally erroneous statement that Romania's foreign policy in the period between the two world wars of defending the territorial status quo in Europe, was "counterrevolutionary," whereby the author states that "the government circles engaged the country and its armed forces as an important point of support for and a tool of the counterrevolutionary strategy of the imperialist forces of the Entente;" that Romania allegedly was a "potential counterrevolutionary force in the Balkans, particularly concerning Bulgaria, where the revolutionary processes that had spread to all the Balkan countries, including Romania, were of the most intensive" (p 203). Romania allegedly took an "anti-Soviet course" (p 27) throughout the period (with a certain exception in 1933-36, when Titulescu attempted a rapprochement to the USSR), while on the eve of World War II, "Romania refused to cooperate with the USSR on the basis of collective security and mutual assistance" (p 204); A. Kuzmanova adds another so-called "characteristic trait" of Romanian foreign policy: the "consistently anti-Bulgarian line," which "sapped a small neighborly country, and, given the specific conditions prevailing at the time, compromised any Romanian resistance to the aggression..." (p 210).

The same method of turning historical truth upside down leads A. Kuzmanova to attribute to Romania's foreign policy all the capital sins, although it is a well known fact that Romania was the country in which fascism came to power only in September 1940. This particularly relevant fact was not due to any strategic failure on the part of fascism, but to the heroic struggle of all the revolutionary, democratic, and patriotic forces led by the RCP, and to the Romanian nation's resistance to fascist practices and ideology. In this connection, we were astonished to see that A. Kuzmanova left out the views of contemporary Bulgarian historiography, according to which as of 1923, Bulgaria's foreign policy was led by a fascist dictatorship.

As for the main objective of Romania's foreign policy, the author totally ignores the fact that this objective, which remained unchanged throughout those 20 years, was to preserve the independence and sovereignty of the united

national state established on 1 December 1918 and the country's territorial integrity, as it emerged from the 1918 referendum decisions, the legitimacy of which had been recognized by the Paris Peace Conference of 1919-20. Romania's foreign policy was in accord with the will of the entire nation and with its vital national interest. All the social forces and political parties, including the leftist ones, whose backbone were the communists and socialists, unreservedly supported the preservation and defense of the boundaries of the Romanian state; one eloquent proof of this were the great struggles organized and led by the communists in the 1940's. Equally significant is the massive contribution of the masses and of all the people to defending the country's borders at a time when the Hitlerite armies, having invaded Czechoslovakia, were preparing to invade Romania. That was only natural in view of the fact that Romania's status had resulted from the victory of the principle of nationalities in that part of Europe and was the objective consequence of the historical process of formation and perfecting of the united national state, and constituted the natural framework for the development of the modern Romanian nation.

The orientation of Romania's foreign policy and the nature of its foreign relations naturally stemmed from its very objective; as one of the founding members of the League of Nations, throughout the period between the wars Romania remained faithful to the Pact of that international organization, whose aim was to consolidate peace and security on the basis of respect for the principles of international law. Consequently, far from having aggressive designs on any state--neighborly or more remote--Romania not only rejected any attempt or "offer" to involve it in any action against its neighbors, but it consistently carried out a policy of developing relations with all the countries, without any interference in their internal affairs, strove to create a climate of peace and cooperation in its geographical area, and spoke out and acted, according to its means, against the policy of force and dictate in international life.

Thus, in 1920, the French and Polish governments put pressure on the Romanian government to secure Romania's participation in the war against the Soviet Union. A report of the French minister in Bucharest, Henri Cambon, to the Foreign Ministry, dated 31 March 1920, stated: "I have felt out the Romanian government about an accord which, leaving Poland complete freedom of maneuver, would invite Romania to expand along the Black Sea. The Romanian government," Henri Cambon specified, "rejected this offer, stating that it did not seek adventures beyond its boundaries." (French Foreign Ministry Archives, series: Europe 1918-29, Poland, vol. 137, report No 168, Bucharest, 31 March 1920, signed Henri Cambon). In his political notes, Raymond Poincare, president of the French Council of Ministers, remarked: "We took an unrealistic step in Prague, Bucharest, and Belgrade to persuade these states to agree to a joint action, together with Hungary, in favor of Poland, against Soviet Russia" (Raymond Poincare, "Histoire Politique, Chronique de la Quinzaine," 15 September 1920-1 March 1921, Paris, 1921, p 18).

In February 1921, referring to Soviet Russia's international position, V.I. Lenin wrote: "But there are still some states, like Romania, which have not attempted to fight Russia... Naturally, if Romania did not decide to go to war at a moment favorable to it, now that Vrangel's front has been completely

liquidated, it is even less probable that it would venture to take such a step." (V.I. Lenin, "Works," vol. 42, Political Publishing House, Bucharest, 1966, pp 327-328).

Along the same line, on 17 May 1922, at the Geneva international conference, Romania issued an official declaration featuring a permanent unilateral commitment of non-aggression toward Soviet Russia. This commitment acquired an even greater international weight on 10 June 1926, when the Romanian government reconfirmed its "permanent non-aggression commitment toward Russia, based on the status quo. Romania," the document stated, "is ready to extend this commitment to all its neighbors. Romania's interpretation of this commitment implies its obligation not to attack Russia with its own regular troops and, of course, not to tolerate the mobilization on its territory of irregular attack troops against Russia." (Societe des Nations, "Recueil des Traites," vol. LVIII, 1926-27, p 230). The above mentioned protocol was an integral part of Romania's treaty with France of 10 June 1926, and was registered at the League of Nations.

In August 1928, Romania, together with the USSR and many other states, joined the Briand-Kellog Pact which banned recourse to war as a means of solving interstate conflicts. A few months later, in February 1929, upon the initiative of the USSR, the Romanian government signed in Moscow a protocol for the earlier enactment of the war-prohibiting pact. On that occasion, Maxim Litvinov, USSR foreign minister of the time, stressed the fact that "Each signatory of the protol assumes an obligation toward the entire world to defend peace in a given geographical area." (Foreign Ministry Archives, League of Nations series, vol. XV). Faithful to the same position, in July 1933 Romania signed in London--together with the USSR and other interested states--the convention on defining aggressors and territories, and on 9 June 1934 it reestablished normal diplomatic relations with the USSR. During the same period, Romania supported at many levels the French-Soviet initiative of establishing an eastern security system, to which it wanted to belong (the "Eastern Pact"), hailed and effectively supported the signing of the Soviet-French mutual assistance treaty of 1935, and the Soviet-Czechoslovak treaty.

The above facts, to which many others can be added, are perfectly well known to any international relations historian and have been in scientific circulation for dozens of years; it is not possible that A. Kuzmanova is not aware of them. And knowing these facts, it is equally impossible to attribute the above-mentioned orientation and character to Romania's foreign policy. However, the author has chosen a third path: she consciously ignores them, or fabricates inexistent facts. A. Kuzmanova also ignores the fact that in 1938-39 Romania was the only state which correctly and directly supported Czechoslovakia under attack, going as far as to give shelter to thousands of refugees fleeing the invading German-Horthyst troops, an act of great courage which drew heavy pressures from Hitlerite Germany; during that time of serious international crisis, when Czechoslovakia had been abandoned by all its allies, the Romanian government refused an offer to have a share of the partitioned territory of that country. Similarly, A. Kuzmanova "forgets" Romania's position toward Poland, which had been attacked in 1939, the fact that it received and sheltered Polish refugees, the government and leadership of that country, and its retreating army, and helped rescue its treasures.

Romania paid a heavy price for that help by, among other things, the assassination of Prime Minister Armand Calinescu upon orders from Berlin, and heavy military threats and pressures. A. Kuzmanova not only ignores Romania's peaceful efforts, but goes so far as to blame it for the failed policy of collective security and for the failure to establish a European resistance front against the Axis aggression.

As for the "anti-Bulgarian" character of Romania's foreign policy and the repression of the Bulgarian revolutionary struggle, we believe it sufficient to remind Antonina Kuzmanova of the many testimonies found in Bucharest, Braila, Ploiesti, Calarasi, Giurgiu, and other localities, attesting to the fact that Bulgarian revolutionaries organized national liberation actions on Romania's hospitable soil; of the documents of Romanian universities attended by many young Bulgarians; of the documents concerning the defense of Bulgarian insurgents in 1923, and so forth. It is not possible that A. Kuzmanova never came upon such testimonies during her periods of research in Romania. Moreover, we doubt that she is not aware of the statements of the party-state leadership of the People's Republic of Bulgaria concerning the Romanian-Bulgarian ties of militant solidarity and the assistance extended by the Romanian people to the Bulgarian revolutionaries and patriots.

The thesis that Romania and its Balkan policy were the main cause for Bulgarian's isolation (p 252) appears to us as utterly fantastic. The author completely forgot that any historical analysis must be based on the specific and objective data of the situation prevailing at a given period, and that anyone approaching history with prefabricated theses can only fail as an historian, and produce confusion, or even worse, falsify reality.

This manner of "interpreting" recent history is particularly evident in the many pages that A. Kuzmanova devotes to the Balkan Entente, although the author does bring many interesting pieces of information which contribute to better understanding certain political and diplomatic questions (for example, the Bulgarian-Yugoslav relations and the "Treaty of Eternal Friendship" between the two governments, the Thessalonica accord of 1938, etc.). Unfortunately, A. Kuzmanova formulates views and conclusions contradicting the facts that she herself cites, or historical logic. For the Bulgarian author, both the Balkan Entente and the Small Entente served as "regional gendarme" (p 4), while the "real orientation of the Balkan pact was directed precisely against Bulgaria" (p 5). Further, she writes: "Romania endeavored to fashion the Balkan Entente into a military and political alliance against any attempt to revise, even peacefully, the status quo in the Balkans. This alliance was directed against Bulgaria, whose major foreign policy principle called for revising treaties solely through peaceful means." (p 211) From here, A. Kuzmanova develops one of the most blatant reinterpretations of historical truth, claiming that Romania's policy was aimed not against the real aggressor, and that it barred Bulgaria's involvement in effective Balkan cooperation. She then writes that "Beginning with Take Ionescu after World War I and until Grigore Gafencu, on the eve of World War II," Romania's foreign policy was a consistent "opponent of the policy conducted by the Bulgarian government of peaceful revision of the Neuilly Treaty. This attitude was directly linked to the main foreign policy objective, which was to preserve territorial gains, and was not influenced by changes of concept concerning the

general directions of Romania's foreign policy." (pp 23-24) And finally, on this basis, the reader is urged to believe that "The purpose of Romania's foreign policy was to eternalize this situation of inequality and the weakness of the vanquished countries." (p 4)

Faced with so many false conclusions, one cannot but ask oneself: what use did the author make of the thousands of documents studied, if she has ended up developing ideas that have nothing in common with the facts as they occurred?

Through a process of reversal, the author accuses Romania and other members of the Balkan Entente and the Small Entente of promoting a consistent antirevisionism, a fact which greatly prejudiced peace in the Balkans, allegedly "broke" the peace front in this area, and alienated and isolated Bulgaria. Has the author never heard that revisionism--especially after Hitler came to power in Germany--became the flag bearer of the aggressive policy of the fascist states, and a tool used by the Hitlerite policy to coalesce all the political forces that could be used to undermine peace and security? Suffice it to recall the fact that the process of "shifting" borders, and thus of "revising" them, "peacefully" begun by Nazi Germany with the annexation of Austria, could not be halted any more and led to the disappearance of independent states from the map and, in the last analysis, to war, and suffice it, we think, to demonstrate the truth that antifascist politicians like Litvinov and Titulescu never stopped stressing: revisionism = war.

Among the many arguments that testify to the presence of the Balkan Entente in international life, which in point of fact the author herself repeatedly mentions, we will cite here only one: the Balkan Entente, a regional, open, defensive alliance of peace, security, and cooperation, concluded between Greece, Yugoslavia, Romania, and Turkey on 9 February 1934 for the purpose of defending the territorial status quo, manifested itself in international relations--despite its inconsistencies, weaknesses, and limitations--as a factor designed to defend the independence, sovereignty, and territorial integrity of the four member-states, to develop their cooperation in various areas, and to assert the role of small and medium-sized countries in Europe. Along this line, it repeatedly adopted a line favorable to the interests of peace and collective security in Europe and, implicitly, to stemming the political-diplomatic offensive of the fascist powers.

This is how the reputed Bulgarian researcher of international relations, Christina Daneva-Mihova described the character of the Balkan Entente Pact: "The objective of the Balkan Pact was to place a barrier in the way of the economic and political aims pursued by fascist Italy and Hitlerite Germany in the Balkans by maintaining the status quo as it had been sanctioned by the Versailles Conference." (Christina Daneva-Mihova, "La Diplomatie Francaise et la Preparation du Pacte Balcanique--1934," in "Studia Balcanica," No 9, Sofia, 1975, p 31) She correctly stated that in 1933 the Small Entente "tried to attract Bulgaria to its side through bilateral or trilateral accords, which were viewed as the basis for a future Balkan pact." She notes that the Bulgarian government rejected these proposals. (Idem, p 39) Historian I.S. Stavrianos concludes in his analysis of the undermining of the Balkan Entente: "The main reason was the pressure brought to bear by reborn Germany." (I.S. Stavrianos, "The Balkans Since 1453," p 740)

In point of fact, despite all the contradictions, differences, and disputes between Bulgaria and the members of the Balkan Entente (contradictions, differences, and disputes that must be examined in a strictly scientific spirit, and not in the subjective desire to make white seem black and vice versa), amicable relations did develop among those states in those years, reflected in, among other things, the Thessalonika agreement of 31 July 1938 on abolishing the military, air, and naval clauses of the Neuilly Treaty.

The joint communique issued after the signing of the Thessalonika agreement emphasized: "This agreement, concluded among equal countries, is the happy outcome of free negotiations conducted in an atmosphere of cordiality and understanding." The contribution made by the Thessalonika agreement to detente and improved peaceful relations between the Balkan Entente members and Bulgaria was also noted in the communique of the session of the Permanent Council of the Small Entente, held in Bled on 21 and 22 August 1938. The Permanent Council of the Small Entente notes in the minutes of the session that it learned with the greatest satisfaction of the signing on 31 July 1938 of the Thessalonika agreement between the Balkan Entente and Bulgaria, appreciating at its just value the great support that this agreement can provide not only for bolstering mutual trust and cooperation among the Balkan countries, but also for jointly defending general peace. The three foreign ministers noted that the "Thessalonika agreement in no way affects the rights and obligations of mutual assistance devolving from the commitments previously assumed by each of the signatory states. This finding is based on the fact that the non-aggression and mutual assistance commitments made, far from being mutually exclusive, complement each other by their very nature." (Foreign Ministry Archives, Small Entente series, vol. 19, p 86. Minutes of the 21-22 August 1938 session)

Thus, the following statement made by Bulgarian Prime Minister Kyossevanov on 19 February 1939 was quite natural: "We are friends with the Balkan Entente member states." As for the opportunity and role of regional pacts--the Balkan Entente and the Small Entente--we would remind A. Kuzsmanova of Maxim Litvinov's words: "It is beneficial for each continent to be covered by regional pacts defending each area against any aggressor. The fulfillment of these regional obligations is viewed as equal to the fulfillment of the obligations envisaged in the League of Nations Pact, and has the full support of the league members." (Foreign Ministry Archives, League of Nations series, vol. 15, Report No 538, Geneva, 15 July 1938, signed by Antoniadu to N. Titulescu)

It has not been our purpose to discuss the entire presentation of Romania's foreign policy in the 1933-39 period in Antonina Kuzmanova's book. We only wanted to call attention to several theses and views that, unfortunately, constitute the foundations of an inevitably bankrupt historical demonstration. Historical truth cannot be hidden, it inexorably will come to light. The diplomatic history of the years preceding World War II is much too important and rich in lessons to be counterfeited.

As for the Romanian historians, they never tried nor do they now attempt to teach historians from other countries how to write their national history. However, any attempt to interfere with the manner in which the history of the

Romanian people is written can only be resolutely rejected. Romanian historians have not permitted and cannot permit anyone to falsify and distort facts concerning our history, or to invent "truths" about the Romanian people, or, in short, to turn history into anti-history.

Historical research must serve to develop the friendship and cooperation among all the peoples, including between the Socialist Republic of Romania and the People's Republic of Bulgaria. However, in view of the way A. Kuzmanova has written this work, it does not serve the friendship that has developed between our peoples during the socialist period. This is even more so since in the past, too, historians of good faith in both countries endeavored to present the relations between the two peoples in a spirit of truth, esteem, and respect. That is why today, when our countries are building a socialist society, history must highlight the traditions of joint struggle and cooperation to defend the cause of progress, national freedom, and peace.

Whatever the motives and background that guided the publication of this work, it can only arouse the legitimate question: Whom does it benefit? This book clearly reawakens harmful, revisionist, revanchist, and anti-Romanian theses that contradict not only historical truth, but also the principles of international relations and norms.

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POLITICS

ROMANIA

DECREE ON PASSPORTS AMENDED, SUPPLEMENTED

Bucharest BULETINUL OFICIAL in Romanian Part I No 66, 7 Dec 85 p 1

[Council of State Decree Amending and Supplementing Decree No 156-1970 on the Passport System]

[Text] The Council of State of the Socialist Republic of Romania decrees:

Article I--Decree No 156/1970 on the passport system, which became Law No 35/1970, published in BULETINUL OFICIAL, Part I, No 32 of 12 April 1970, with subsequent modifications, is amended and supplemented as follows:

1. Paragraphs 4 and 5 of Article 1 will have the following content:

"The documents issued by competent Romanian organs which give the right to cross the Romanian state border are: the diplomatic passport, the official passport, the ordinary passport, the passport for Romanian citizens living abroad, the travel certificate and the passport for persons without citizenship."

The categories of persons who can benefit from the documents stipulated in the preceding paragraph are determined by decision of the Council of Ministers."

2. A new paragraph, with the following content, is inserted in Article 23, after paragraph 4:

"The travel certificate is issued for a period of 6 months, and can be extended for an additional 12 months by the issuing organs."

3. Paragraphs 2 and 3 of Article 31 are abrogated.

Article 11--Decree No 156/1970 on the passport system, with subsequent modifications, as well as with the modifications and additions made by the present decree, will be republished in BULETINUL OFICIAL.

Nicolae Ceausescu, President of the Socialist Republic of Romania
Bucharest, 5 December 1985
No 381

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CSO: 2700/53

POLITICS

ROMANIA

DECREE ON AIR ROUTES, AIRPORTS AMENDED

Bucharest BULETINUL OFICIAL in Romanian Part I No 68, 16 Dec 85 p 1

[Council of State Decree Amending Annex No 1 to Council of State Decree No 287/1980 on the specification of air routes, airports and airfields intended for civil aviation]

[Text] The Council of State of the Socialist Republic of Romania decrees:

Sole article--Annex No 1 to Council of State Decree No 287/1980 on the specification of air routes, airports and airfields intended for civil aviation is amended as follows:

1. Section A, point 6 will have the following content:

"The border point with the Bulgarian People's Republic (43° 50' N- 23° 15' E)-Tirgu Jiu-Deva-Oradea--the border point with the Hungarian People's Republic (47° 15' 30" N- 21° 52' 00" E)."

2. Section B, point 7 is abrogated.

Nicolae Ceausescu
President of the Socialist Republic of Romania
Bucharest, 12 December 1985
No 390

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POLITICS

ROMANIA

BRIEFS

OFFICIAL APPOINTMENTS--The President of the Socialist Republic of Romania decrees that Comrade Teodor Coman is appointed chairman of the Committee for Peoples Councils Problems. Comrades Gheorghe Ion and Stefan-Romeo Dragomirescu are appointed deputy chairmen of the Committee for Peoples Councils Problems. Comrade Neculai Ibanescu, first deputy chairman of the executive committee of the Iasi County Peoples Council and Comrade Maria Nitu, chief engineer in the Slatina food equipment enterprise and deputy chairman of the executive committee of the Olt County Peoples Council, are also appointed deputy chairmen of the Committee for Peoples Councils Problems. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 47, 24 Sep 85 p 6] /6662

PRESIDENTIAL APPOINTMENTS--The President of the Socialist Republic of Romania decrees that Comrade Mihai Paraluta is appointed deputy chairman of the State Planning Committee. Comrade Gheorghe Codreanu is relieved of his position as deputy minister of mines. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 47, 24 Sep 85 p 6] /6662

FOREIGN TRADE PERSONNEL CHANGES--The President of the Socialist Republic of Romania decrees that Comrades Ion Stoian and Ion Stanci are relieved of their positions as deputy ministers of foreign trade and international economic cooperation and comrades Dan Vicentiu Constantin and Micu Mihail Vasile are appointed deputy ministers of foreign trade and international economic cooperation. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 64, 26 Nov 85 p 6] /6662

CSO: 2700/53

POLITICS

YUGOSLAVIA

READER OPPOSES EXTENDED TERMS FOR LCY OFFICES

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 1 Dec 85 pp 4-5

[Letter to editor by Enver Redzic: "Why Should They Be Reelected?"]

[Text] The dailies of 19 November printed speeches and fragments of discussion from the LCY Central Committee session in Belgrade 18 November. I found the following viewpoint in Comrade Jure Bilic's published speech: "With respect to the term of office for members of the LCY CC Presidium, the provisions of the current statute would remain unchanged, provided that a term could be cut short--with no possibility for a third term--in special proceedings. The extension of the third term is explained by the current situation. The idea is that certain individuals with great experience, who have been prominent to a greater extent and have demonstrated ability on the job, are still needed to provide continuity alongside the younger people to be elected to the Presidium."

If, as a communist, I did not expect something from the draft of the new LCY statute, it is precisely this behavior, this insistence on extending the term of office for members of the LCY Central Committee and its Presidium. I ask myself why this large-scale discussion, of significance to the next LCY Congress, was conducted in the party grassroots as initiated by the 13th session of the LCY CC. Insistence on a third extension of the term of office of CC members and Presidium members is prime confirmation of ignoring the demands of the party membership to turn over a new leaf in the life of the LCY at the next congress. In the view outlined by Comrade Jure Bilic, some LCY CC members obviously want not to turn over a new leaf but rather to retain a procedure which ought to be abandoned as soon as possible in the interest of progressive trends.

I am surprised by the arguments with which Comrade Bilic "explains" these views. In the first place, according to him, the "current situation" demands the extension of the terms of office. I do not know how Comrade Bilic views the connection between the "current situation" and the aspiration and "need" to facilitate reelection for the members of the current Central

Committee, but the point is more than clear that the interests of our development call for the "current situation" to end as soon as possible, along with everything that led to the current situation, including a definitive end to opportunities for asserting and achieving desires for endlessly repeated terms of office.

The abolishment of monopolies in staffing policy, and of the privatizing of sociopolitical offices, ought to begin in the LCY Central Committee, in deeds and not in verbal proclamations of views.

Comrade Bilic goes on: "The idea is" that the individuals involved have acquired "great experience," have "been prominent to a greater extent," have "demonstrated ability." All of these "debating points" need to be defined more specifically so that we know exactly what is to be understood by the terms "great experience," "have been prominent," "ability," etc. Life exposes large and fundamental differences in this respect. It is one thing for a communist to have genuinely acquired great experience in the direct and specific struggle for the development of self-management and to have been prominent and to have demonstrated ability in that area; it is another thing for a member of the LCY and its forums to acquire great experience, to be prominent, and to demonstrate ability by strengthening the bureaucracy and by bureaucratically taking away power from the working class and isolating the working class from its rights to self-management.

In my opinion, allowing continuity in reelections to the LCY CC and Presidium resulted inevitably in continuity in the following: stagnation and roll-back in self-management, stagnation in the development of the LCY, self-isolation of the republics and autonomous provinces, growth in the country's indebtedness, growth in inflation, decline in the living standard of working people and citizens, growth in unemployment, disintegration, chauvinism, irredentism.... The process by which these aspects of Yugoslav reality are revolutionarily overcome and dialectically negated stands in explicit opposition to the aspiration for continuity in office, both party and governmental. We cannot be against bureaucracy in words while fortifying it in practice.

In conclusion, the proposal to elect LCY CC members at republic-level congresses and province-level conferences through secret voting among a variety of candidates is not--in my opinion--the way to reaffirm the principle of democratic centralism, rather just the opposite; this is the way to the "democratic" consolidation of party federalism in the LCY. That is not the way to restore the unity of the LCY or to fight against statism.

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END