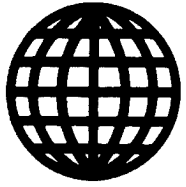


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# East Europe

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## BULGARIA

### Self-Management, Roles of New Territorial Units Discussed

#### Municipalities Restructured

22000016 Sofia *POLITICHESKA AGITATSIYA*  
in *Bulgarian No 2 Jan 88 pp 28-32*

[Article by M. Panova: "The Municipality—A Self-Managing Community"]

[Text] Restructuring in territorial government is associated with changes in the machinery of government and in the structure of territorial units and the corresponding system of government. The creation of oblasts is not simply an act of dividing the country into new administrative and territorial areas. It sets objective premises for effective development of the territory and transformation of the municipalities into self-managing communities.

The issue is one of radical change in the operation of the basic territorial unit—the settlement system and its formation as a municipality.

Two conditions are central to the transformation of municipalities into self-managing communities. First, new laws, obligations and responsibilities at all levels of territorial government from bottom up and, as a matter of principle, new relations between mayoral districts, municipalities, oblasts and the state, and business and territorial self-managing communities with respect to governing the territory. The second condition concerns the new role of the population in resolving the problems of the settlement, the municipality and the oblast.

What are the new features in the restructuring of the territorial system of government that serve as the basis for transforming the municipality into a self-managing community?

First. The new content of the municipality itself, which is the fundamental administrative and territorial unit and comprises not only towns and villages with their lands, engineering, technical and social infrastructure and all public services and basic assets, but also all production assets. The population is the owner of the territory of the municipality and a subject of government of the objects of socialist ownership granted to it. This means that business and other self-managing organizations develop their own work, connected, as an inseparable part, to the development and operation of the territorial self-managing community. Thus, they are responsible for its development and construction as a system.

Second. The new laws, obligations and responsibilities of the municipality and of the municipal people's council as an organ of popular self-management and state power will have an active role in the following areas:

—In determining areas of economic, scientific and technical, territorial and organizational, social, intellectual and ecological development. As a goal, the municipal people's council will independently develop a strategy for development that affects all processes and activities in the municipality of a national and territorial nature and ensures their territorial government. In this sense, the strategy of the municipality as a local self-managing community, is not a sum total of strategies of individual business and other self-managing organizations but a document that reflects the unity of processes in the locality and their interdependence.

National and oblast goals and tasks of social, economic, scientific and technical development will be realized through this strategy. It will become the basis on which the municipal council will actively participate in dialogues with the oblast council, business and other self-managing organizations and corresponding agencies at the national level in determining the structure of the economy, the directions of scientific and technical development, and strategic planning for self-managing business organizations of national importance. It will also include discovery of processes for the effective use of territorial municipal resources and cooperation between the production of different sectors.

With respect to social, territorial and organizational, intellectual and ecological development, the strategy will become the basis for developing plans for the municipality. In this the role of the municipal people's council is foremost.

These then are the prerequisites for the structural formation of the municipality, a structure that depends on both the national and oblast level and above all on the actions of its population and municipal people's council.

—In planning the work and building the infrastructure needed by the municipality and conducting integrated operations with other municipalities.

The municipal people's council develops individual five-year and one-year plans on the basis of national norms for developing territorial infrastructure and meeting consumer needs.

This affects the planning of housing construction, complex construction of the housing environment, commercial and basic services, public works, meeting the social and intellectual needs of the population, production activity and other elements of local importance.

A particularly important moment in the municipality's self-management is the opportunity to conduct general investment policies, taking over nominal lists for the objects of social, technical and production infrastructure and ensuring their uniform planning and construction without examining their sector affiliations. Conditions

are being created in the municipality itself to resolve the problems of the population in keeping with its needs and to balance living conditions in individual towns and villages.

The new quality of the municipality as a self-managing community is associated with the new role of the municipal council, that of being the only planning and distribution agency for activities at the municipal level. In keeping with this, it may assign state orders and distribute resources to companies of local importance and influence the extent to which consumer needs are met.

The municipality disposes of local resources, and the municipal people's council, audits, coordinates and controls their use. This applies to material resources, land, forests, pastures, water, work places, housing resources, and construction capacity. In addition the municipality coordinates the estimated needs of all organizations of workers and specialists.

—The municipality itself ensures the integration of its construction, by approving local and city organization plans and giving approval to plans and construction of new projects of national and oblast importance in the productive and non-productive sector, and for their reconstruction and modernization. The municipal people's council also coordinates and audits the activities of all organizations participating in the investment process within the municipality.

—The municipality becomes central to meeting the people's needs. This requires that the municipal people's council brings influence to bear on self-managing organizations of municipal importance and all organizations within the municipality whose work is connected with serving the people.

The municipality guarantees the defense of municipal interests and citizens' rights, the protection of socialist ownership and the struggle against encroachments upon it.

—The municipal people's council organizes civil defense, conscription and mobilization resources in its area.

—The municipal people's council accomplishes improvement of the system for managing and introducing automated systems of management and service.

Third. Relations between the two self-managing communities—territorial and business—are being built in a new way. The limitations and demands of the municipality and economic regulators have provided the grounds for this. In this respect, the municipal people's council determines the sine qua non for work and local norms for all companies and other organizations associated with the complex development and construction of the

municipality, using local resources, conserving the environment and producing goods and services for the population. The social development of the working collectives is a part of the social development of the municipality. Moreover, the municipal people's council may create privileged economic conditions, grant concessions, insure buildings and other conditions to discover new production capacity, chiefly for production of goods and services for the population, to fix prices and taxes and assign patents for goods and services in cases foreseen in normative acts, by which it regulates the development of work required by the municipality.

Fourth. It is necessary to create a new organizational and production structure for work of local importance, on the basis of which a municipal company can be formed: for trade, everyday services, investment activity, public works and the municipal economy, etc. For activities that require a concentration of land in several municipalities, the creation of a joint intermunicipal organization of regional importance is expedient: for motor transport, preparation and qualification of employees, certain cultural activities, etc.

Fifth. Self-support becomes a fundamental principle for the operation of the municipality. In keeping with this, the municipal people's council independently prepares a budget on the basis of norms for expenses for support and development of income realized in the municipality and, in the case of a deficit, with subsidies from the state budget. When income exceeds the normative expenses, then a part of the difference is deposited in the state budget according to the norm.

Sixth. The role of mayoral districts in resolving the everyday needs of the people and developing the settlement increases in importance.

Seventh. Considerable changes will take place in relationships between the municipalities, the oblasts and the state. The municipality becomes responsible for planning, budget and capital investment, and the municipal people's council establishes direct dialogue with the appropriate agencies at a national level.

The transformation of the municipalities into self-managing territorial communities also brings changes in the nature of basic planning documents at the national level associated with management of territorial development: the general plan for local arrangement of production forces and the general plan for local system structure. Instead of planning decree documents, which contain specific developments for the oblasts and municipalities, they will become normative regulating and directing documents, which contain criteria, norms, requirements, and limitations ensuing from national goals and objectives, differentiated by territorial units.

Eighth. The oblast is formed with the goal of creating local conditions for accelerated development of production forces, formation of priority directions for the

economy, integration of the municipalities' opportunities and resources for economic, scientific, technical, social and intellectual development; to balance living conditions there, to use local opportunities to resolve intersector problems; to integrate the scientific and technical potential to improve technological innovation and discovery, and to guarantee that the population is self-sufficient in agricultural produce.

In keeping with this, the oblast people's council has functions of development, strategic planning, coordination, operations, and control with respect to the municipalities and functions of planning and distribution with respect to agriculture.

The basic thrust of its activity is the drafting of strategies for the oblast and coordination, control and operations management of the municipalities in the area of construction, manufacturing, social and intellectual development, transportation, trade and everyday services, preservation of socialist law and social order, defence of citizens' rights and administrative and legal services for the population. Improvement of administrative automation and preparation and qualification of managers are the major tasks.

The oblast people's council directs the work of the municipalities in resolving inter-municipality problems and in certain cases may impose state orders for production of goods and services. It does not prepare an oblast budget. It is supported by the state budget.

Ninth. The municipality may become a self-managing community only when it becomes a subject of management. This is not an issue of participation, but one of a new role, a new place for the population in the process of government. By means of the forms and direct representational democracy, conditions are created for the population itself to resolve immediately the basic issues in the settlement and the municipality. These are problems in the direction of development, budget structure, infrastructure, local village systems, etc., which are of importance to the population. With this, the involvement, participation and responsibility of everyone for the condition of the place where he lives is increased.

The restructuring that is taking place in territorial government is creating all the conditions for the development of strong and vital municipalities that can accept responsibility for complex development and construction, for balancing living conditions in settlements, meeting the material, intellectual and social needs of the population, for market conditions, effective use of local resources and preservation of the environment.

In today's environment, the question of self-management represents for us and for our party a general question of the theory and practice of the construction of advanced socialism in the People's Republic of Bulgaria. This is determined by a number of objective factors.

Above all, the transition towards self-management depends on the demands of the objective laws of logic of the development of our society and on the need to discover a wider scope for their effect.

Self-management flows naturally from the development of socialist democracy in Bulgaria.

The new stage of scientific and technical revolution demands new forms of organization and management of social production.

A single governing elite is not equal to the task of resolving the problems of social and economic development. We need conditions for the active participation of the working collectives and for stimulating their creativity.

From the basic principles of the concept for further construction of socialism in the People's Republic of Bulgaria.

#### **Sofia City Government Restructured**

*22000016 Sofia POLITICHESKA AGITATSIYA  
in Bulgarian No 2 Jan 88 pp 33-37*

[Article by T. Teofilova, First Vice President of the Executive Committee of the People's City Council: "Local Self-Management in the Capital"]

[Text] We are living and working at a critical time. A time of revolutionary restructuring for a qualitatively new state of social system in our country.

The nucleus of this restructuring is self-management.

Our theoretical and practical experience in socialist construction is associated with the application of ideas for self-management of society, with the construction and operation of people's councils as agencies of local self-management. In this sense, the ideas of self-management are not new to us, but it would be wrong not to give serious thought to the problem of self-management in the conditions of qualitatively new growth, not to specify the forms, ways and mechanisms of influence in each unit and group.

With the territorial restructuring in the capital, we shall resolve the task of building vital, self-managing communities, capable of ensuring the complex economic, social and intellectual development of territorial units.

The new administrative and territorial division is the basis for development of territorial self-management. It bears the imprint of objective needs for the development of such a complex economic, social and public system as the capital city.

In the conditions of developing democracy and establishing self-management, the need to improve management of the one-million strong city is a major objective.

The current practice of dividing the regions was rapidly exhausting its capacities and was again dragging the process into the old ways. The style of work and the nature of government were not changing. Such that the quantitative growth of the number of regions did not lead to a qualitative change in government that would be reflected in a greater rate of development in the city. Decentralization of work from the city people's council to the rayon people's council also failed to produce results discernible to the population in the capital. In the city people's council many functions remained concentrated, giving rise to the growth of bureaucracy and cutting off the administration from the citizens. The development of certain rayons was delayed, surveys of growth revealed appealing averages, behind which disproportions were concealed. As an end-result, social tensions were created in the city, and equal living, working and recreation conditions were not guaranteed for the citizens. This imposed the need for transition towards a new structure of territorial management—a more flexible, efficient structure through which it would be possible to achieve agreement on the interests of citizens, working collectives, territorial units and the city as a whole.

Within the framework of the capital city, the structure of management is indisputably the municipality. The choice is not one of mere form. It is aligned to the future, determined by the concept for the development of the Sofia city system, by the unity of traditions, present and future, by the unity of the population, the territory and the economy.

The creation of new administrative and territorial units—the municipalities—is considered to be the principle and the foundation for the development of the process of self-management. Specification of new laws, obligations and responsibilities is the essential and decisive aspect of the nature of the municipalities as self-managing communities. Practical discovery of the principally new role of the municipalities in the sphere of planning, preparing their own budget according to the principles of self-support and self-financing, mastering the role of general investor and organizer of business activity and services for the population, organizer of meeting the social and intellectual needs of the population.

According to their objective characteristics, the 24 municipalities created in the capital have the conditions to reach agreement on the interests of individual citizens, the collective, the municipality and the city as a whole. Therefore, the new administrative and territorial division is associated with the formation of functions of the municipal people's councils according to the principles of self-management, i.e., that they become the principal bearer and defender of democratization of the government of the community and of the territory.

The economy is a chief source of development of the municipality. Because of this, the interests of the population and of the self-managing working collectives

become one. The municipality is interested in greater accumulation for its development, and the working collectives are interested in increasing economic results.

Clearly, with such interests the municipality will take the active part in developing new production forces and also in intensifying existing forces in a qualitatively new growth in the economy.

Through its undertakings in trade, services, asset management, construction, culture, sport, and tourism, etc., the municipality must win and harness individual, group and cooperative effort. The effect will be multidirectional: more satisfied needs, more income, more profit, greater sources of self-development within the community. When analyzing these problems, we cannot but recognize the existing differences in the economic potential of individual municipalities. They will be preserved for a certain period, which will impose the application of a different approach of deduction, and in some municipalities the granting of subsidies from the city people's council.

Transformation of the municipality into a strong, vital, self-managing territorial community has a particular significance for the formation of new territorial units in Sofia.

In the planning sphere, the municipal council will have to prepare and produce a complex plan for the development of all activities in the territory. Through the plan, it will provide its state and social order for the social and economic development of the municipality and seek ways to meet more fully the needs of the population.

In the financial sphere, self-support of the municipalities suggests that their development will be based on their own economic potential and effective use of economic levers and regulators in using territorial resources, as well as the income from working participation in business and other associations. In this way, relations of self-managing organizations with the state budget will in general lines be shut off by the municipality. The municipality will make deductions for the city people's council, and it, for its part—for the republican budget.

In addition to these resources, the municipality may receive targeted resources from funds for the development and use of self-managing organizations, from working collectives, families and individual citizens.

The municipal budgets, compiled in keeping with the new normative order, are discussed widely and democratically, are the responsibility of the municipal people's council and may not be changed by high-ranking agencies.

In the sphere of administrative and legal services, the municipal people's council must provide basic services without referral to other authorities, since administrative and legal services are associated with the defence of citizens' rights.

In the sphere of architecture, town planning and public works, the municipal people's council has all the executive and other necessary powers to fulfil approved town planning resolutions. In this respect, any duplication or appropriation of its functions by the city people's council will cease.

Unquestionably, the functions of the municipal people's council will gradually expand in phases in the social and intellectual sphere and in the management of economic activities.

One of the new aspects in the work of the municipal council is cooperation with organizations of the Fatherland Front, the trade unions and the Komsomol to work for the establishment of the new social position of workers, of the whole population, and of young people in the municipality through forms of direct democracy. The population cannot by itself increase its participation in the resolution of the most important tasks if the municipal people's council, by its essence and nature, by its style and method of work, does not establish democracy and glasnost as the strongest weapon in the fulfilment of tasks.

Territorial restructuring is a process that sharply affects the condition, the essence, the manner of construction and function of the agencies of territorial self-management. That the constitution appoints the people's councils as agencies of state power and popular self-management is a legal principle and a guarantee for their development according to the principles of self-management. At the same time, experience shows that restructuring in the work of the people's councils according to the principle of self-management is still in its infancy.

In this respect, a series of problems arises associated with the specific development, analysis and interconnection of territorial self-management—democracy and territorial management in the work of the people's councils.

Realization of the Marxist-Leninist position for transition "from power in the name of the people to power through the people" depends on their true theoretical and practical meaning.

Consequently, restructuring in the work of the people's councils affects the functions of both state agencies and local agencies of self-management. Restructuring is above all a new relationship between the object and subject of government, a new type of connection and cooperation between the population and the people's councils. It follows that the people's councils, their

executive agencies and their cooperation with municipal organizations will be built and will function according to the principles of self-management.

The organization of functions "from below"—mayoral districts and the municipality—creates a new structure of power through which the true power holders are the basic territorial units—the municipalities.

Functions between the mayoral districts, the municipalities and the city people's councils are organized from such positions and essential changes are made in the entire aggregate of functions that we accomplish.

We have reason to say that the most pressing question for the development of self-management in the work of the people's councils is associated with the change in the manner of forming executive and distributive agencies, with the development of a social and state principle in their construction, and in the forms and methods of work. With the formation of commissions of social and state executive and distributive agencies, conditions are being created for the population to participate in government, for competent and active people to be developed to build and operate the territorial community. The importance of developing forms of direct democracy is enormous and to a large extent will determine the success of self-management. With the new situation in our electoral system we have created conditions for new qualitative characteristics of the entire electoral process—from selection to nomination of candidates as people's councillors. Their application in the capital will allow us to develop democracy while forming people's councils and achieving true popular power.

#### **Mayoral Districts Restructured**

*22000016 Sofia POLITICHESKA AGITATSIYA  
in Bulgarian No 2 Jan 88 pp 38-43*

[Article by S. Tsonchev: "City Hall—Controlled and Uncontrolled Territory"]

[Text] "Power is such as it is locally."—V.I. Lenin. The points of departure for restructuring the work and structures of local agencies of state power and transforming them into self-managing territorial communities were already outlined in the materials of the 13th Congress of the Bulgarian Communist Party. Although the successful and varied work of the people's councils in socialist construction has been emphasized, the report of the Central Committee of the Bulgarian Communist Party (CC of the BCP) noted that, in spite of what had been achieved, their work continued to lag behind the needs of social development. Their contribution towards completing the plans for social and economic development and towards guaranteeing complex administrative services for the population have been inadequate. Elimination of phenomena of tutorship over them and confiscation of normative resources granted to them for support and development are seen as important conditions for fulfilment of this task.

This idea is developed in the theses of the congress, as follows:

We shall continue to support further the municipal people's councils, as the fundamental and most popular agencies of state power, and to support popular self-management through decentralization of business and social work indisputably associated with the problems of the population, and to increase administrative, planning and financial self-support of municipalities and mayoral districts.

Consequently, we shall impose demands for rationalization of government through the scaling-back of the team system. We shall improve government structures. We shall call workers' organizations and social organizations to participate in them.

We shall develop and introduce wide-spread democratic, organizational and administrative procedures for the work of self-managing collective agencies.

The issues of self-management were still more specifically developed at the July and November plena of the CC of the BCP in 1987.

According to materials at both Party forums, restructuring and transformation of territorial units into self-managing communities with corresponding agencies of self-management begins with mayoral districts and the municipality as the local elements most closely associated with the population. The local communities and the upper echelons of state government must work on the basis of self-management, which does not signal an end to state power and does not mean that the state will be "dismantled", emphasizes the July (1987) plenum of the CC of the BCP.

The municipality is the fundamental territorial element, and it must become a strong, vital, self-managing territorial community. One of the most important conditions for this is the transformation of municipal people's councils into basic structural elements in the system of local self-management in our country. They will play a critical role in introducing state policies into the territorial units, in the social and economic development of towns and villages, in organizing the life of the population. Their work will be accomplished through the greatest involvement of the population, both in preparing and adopting administrative resolutions and in fulfilling them. In keeping with these demands, the political practices, legislation, organization, and personnel of the municipal people's councils will be restructured. They will be able to participate independently and on an equal basis in the planning dialogue with state and business agencies and organization at their level, and with central agencies and organizations. They will be guaranteed budgetary independence and conditions for self-support and self-financing. They will be granted the necessary legal powers and resources to resolve independently problems connected with construction and public works

in towns and villages, housing construction and distribution of apartments to meet consumer needs, with conservation and restoration of the environment, organization of education and culture, preservation of socialist law and social order in their territory. A full statement of the fundamental rights, obligations and responsibilities of the municipality is made in Chapter III of the Regulations for Self-Management of Territorial Municipalities.

All this shows that the municipalities will be the fundamental cells of self-management from a territorial aspect, as defined by the November (1987) plenum of the CC of the BCP. And so that there is no doubt, the plenum made it quite clear that, in order to operate effectively, it is not necessary for the current oblast centers to become inflated demographically or transform themselves into centers of complete economic and cultural life of the oblast.

Thus the picture is drawn, albeit a very general picture, of the formation of self-managing municipalities as an inseparable part of the process of transforming our society into a self-managing society. Since the fundamental and critical role of the municipalities has been outlined, questions naturally arise about the role and place of the mayoral districts in the new conditions of a self-managing society.

The answer to these questions is contained in the materials of the 13th Congress of the Party and the July and November plena, in the documents adopted by the National Assembly after the plena, and in the normative acts established by the Council of Ministers. According to these documents, the mayoral district emerges as the local executive and distributive agency of the municipal people's council most closely associated with the population on a daily basis. But since the municipal people's council is an agency of the self-managing territorial community, then the mayoral district too, according to the Regulations for the Self-Management of Territorial Communities, becomes a popular self-managing agency in towns and villages.

According to article 2 of the above-mentioned regulations, since the fundamental form of self-management in towns and villages is the general assembly of the population and in heavily populated areas—the assembly of representatives of the population, then self-management, practised in such a way by mayoral districts through direct (immediate) democracy, is an organ of the fullest democracy. This ruling is also founded on the fact that the mayor is also elected directly and immediately by the population (the electorate). In this sense, the mayoral district is the most democratically elected and most democratically operating state agency.

Through the general assembly of the population (of the representatives), in accordance with article 3 of the regulations, the mayoral district adopts: the plan for developing the settlement; the budget for the mayoral



district, the register for construction of objects of complex social services; the plan for self-sufficiency in agricultural produce; reports on the work of the mayoral district, leaders of organizations and groups associated with services for the population; and resolutions to nominate and recall councillors and the mayor. It also discusses other issues that affect the interests of the entire population.

The importance, significance and nature of these new questions that are left to the general assembly (of representatives) of the mayoral district is to resolve indicate the position and role assigned to it, by party order through the people, in the newly established work of self-management.

In the new conditions of restructuring and transformation into an agency of popular self-management in towns and villages, the mayoral district is enriched with many new and varied functions, tasks, rights, obligations and responsibilities. In accordance with article 5 of the new regulations, the mayoral district organizes: public works and sanitation of villages; conservation and maintenance of housing, community, building and other funds; assists in the construction of housing and other buildings, by using local resources and materials, creates conditions for individual development and citizens' collective work in the production of goods, services and agricultural produce.

Additionally, the mayoral district guarantees: the effective use of labor and other resources of the settlement; that everyday consumer needs are met; conditions for production of goods and services for the population; the defense of social order, the struggle against illegal construction; the organization and safety of transportation; conservation of socialist and personal property and the defense of citizens' legal rights and interests.

All this, under the conditions of self-management, transforms the mayoral district into an active organizer, chiefly of the efforts of the population in settlements and local resources to resolve the citizens' pressing problems.

But this does not exhaust the new functions of the mayoral district. In accordance with article 4 of the new regulations, the mayoral district participates in the development of plans for the budget and for the social and economic development of the municipality. It also participates in village and town planning; it determines, on a normative basis, the distribution of objects for complex social services of importance for the settlement. It fulfills, by power of the municipality, the function of investor for objects of infrastructure important to the settlement. It plans and controls production, purchase and profit on the products of the system of self-sufficiency in agricultural produce.

The control of the mayoral district is also strengthened. Under the new conditions, it will control the use of lands granted to citizens and the work of the field watchmen; it

will punish violations of conservation of the environment; it will direct joint efforts of self-managing organizations and other local agencies to construct a single infrastructure and extend the capacities for production of consumer goods and services.

The mayoral district will be able to associate with other mayoral districts and organizations to resolve mutual problems.

Its obligations also include assisting the work of schools and nurseries, conserving the environment, responsibility for meeting everyday consumer needs, for public works and sanitation of settlements.

Financial questions in the mayoral district will also be organized in a new way. In accordance with new normative acts, it prepares its own budget on the basis of its own income and norms of certain expenses to support and develop its work. Its income, which is totally included in its budget, comprises: a percent of the deposits for the municipal people's councils from companies, workshops and brigades working within the boundaries of the mayoral district, determined on the basis of the norm; taxes, duties and loans from the population; income from personal property and other sources. If the income of the mayoral district is inadequate to cover the determined norms for expenses, the balance will come from subsidies from the budget of the municipality. When income exceeds the determined norms for expenses, the difference is deposited in the budget of the municipality, according to norms determined by the Council of Ministers.

To guarantee execution of the many new, complex and responsible functions and tasks, appendix 4 of decree number 57 of the Council of Ministers, dated 11 November 1987, has created a new temporary, model organizational structure for the mayoral district, according to which the mayoral district with a population over 4,000 inhabitants will have: a mayor, a deputy mayor, a secretary of the mayoral district, an office of planning, finance and business, an office of complex public services, an office of territorial and settlement organization, construction, public works and municipal economy, an office of military affairs and civil defence, an office of organizational, administrative and legal service and management, a rayon inspector of the people's militia. Still in connection with these mayoral districts, article 8 of the Regulations for Self-Management of Territorial Municipalities states that mayoral districts with a population over 4,000 inhabitants and given certain other conditions enjoy the statute of a municipality according to a list established by the Council of Ministers. And for those with populations under 4,000 inhabitants, the model structure foresees, in addition to the position of mayor, depending on the number of personnel determined, to have a secretary, a specialist and other positions. In mayoral districts of 400 or fewer inhabitants the secretary is along public lines, except for frontier mayoral districts. In accordance with the statute mentioned

in article 8, in mayoral districts with populations over 4,000 inhabitants, budget institutions and measures are planned, such as: nurseries and schools, libraries and other cultural institutions, health and social centers, youth clubs and sports halls, public works and municipal economy, budget accounting, field brigade, pensioners' clubs and clubs for active fighters against fascism and capitalism. This shows that a new operations and executive team has been created, the pay-roll staff for which conforms with new and responsible functions, tasks and demands in the new conditions for work in the mayoral district.

In addition to the greater opportunities outlined thus far, new conditions are opening up for the mayoral districts to take part in the public and political life of society and the state through their active inclusion in such important political events as the elections of representative agencies. If in the former electoral law the mayoral district was mentioned only six times (and the mayor only twice), and then only as a settlement for election of deputies, national councillors and mayors, i.e. only as an object of the elective actions of other agencies, the law to change and supplement the electoral law, adopted by the 9th National Assembly during its seventh session on 10 December 1987, assigns the mayoral district dozens of new functions and tasks in connection with the preparation and conduct of elections. In addition to the new situations that are generally valid for all deputies, such as registration of an unlimited number of candidates for mayor and for national councillors within the mayoral district, the changed and supplemented electoral law imposes 20 new obligations on the mayoral district, 49 on the mayor, and 18 on the mayoral district electoral commissions (a newly created agency), all connected with specific executive operations for the preparation and conduct of elections. This is new evidence, a new expression of political trust in the mayoral district as an agency of local self-management, which remains to be justified.

Specification and enumeration of the new functions and tasks assigned to local territorial state agencies of self-management, including the mayoral district, could continue. But what has been said thus far is proof that there is great scope for the mayoral district as an agency of popular self-management in towns and villages.

The new local territorial state agencies of self-management (oblasts, municipalities and mayoral districts) have already been created. The first normative acts already exist. Although temporary and model, the organizational and operations structures, the number of staff, the Regulations for Self-Management of Territorial Municipalities and other supplements guarantee the necessary primary clarity. Basically, the role, the place, the function, the tasks, the laws, the obligations and the responsibilities of these agencies in the new conditions of restructuring and self-management have been outlined. But, as we have said, this is only the beginning. The enormous tasks of satiating these new structures with content is now

imminent. This will depend on many different factors, but above all on them themselves, especially on those who work in them. We know that a basic prerequisite for the successful transition towards self-management is the presence of a great degree of maturity in public relations. The activity of party, state, public and economic agencies and organizations depends on this. But the activity of the collective agencies is connected with the role of the individual, and this depends directly on the conditions in which its activity is fulfilled. This means above all freedom of action on the principle "everything is permissible that is not explicitly forbidden by the law". Correctly understood, these conditions will be transformed into rich soil, on which will grow judiciously the independence to develop initiative and creativity, fuelled by a high degree of political maturity.

Still more. Certain specific personal qualities are no less necessary for individual and collective managing agencies (the mayor and national councillors in the mayoral district). The fact that the entire work of the mayoral district is directly connected to and flows through the population, and also fuses with its life and work, demands imperatively the possession of an excellent political and professional preparation and culture, political dedication to the work of the party and the people, organizational skills, people skills, the ability to attract and mobilize people's efforts into active participation in resolving the people's mutual problems, humility, honesty, sincerity in relations with people, complete confidence, respect, and authority. These qualities, combined with a great sense of responsibility, determination, lofty ambition, initiative and creativity in the steady battle to bring every task to its end will be the guarantee for the transformation of the mayoral district into a true agency of popular self-management in towns and villages. Personal qualities, dignity and opportunities have played a critical role in all conditions. The imminent elections give us the opportunity to take this into consideration as we elect the most worthy candidates, capable of transforming the mayoral district into an agency of true local self-management.

12907

## CZECHOSLOVAKIA

### **Minor Party Focuses on Care of Environment** *24000069b Prague SVOBODNE SLOVO in Czech* *19 Feb 88 p 1*

[Text] The central aktiv of the Czechoslovak Socialist Party concerning the problems of environmental protection took place yesterday in Prague. Participating were deputy chairman of the Czechoslovak Socialist Party (CSS) of CSR K. Lobl, CSS general secretary J. Skoda, member of the Presidium of the CSS central committee, vice chairman of the Czech National Council O. Bursky, and CSS secretary J. Slavicek.

K. Lobl stated in his opening remarks that the aktiv should serve as a preparation for the plenum of the CSS Central Committee which this year will focus its attention on those problems. He emphasized that next to preserving peace, protection of the environment is the most important global problem.

In a number of interesting presentations the participants in the aktiv shared their experiences in caring for the environment in their work places, residences, and party organizations. One requirement stood out most often in their presentations, namely to create an independent central institution which would be concerned with all the problems associated with the protection and creation of the environment. Such an institution should have the form of a ministry, or perhaps a structure and authority similar to those of the people's control committees.

Also discussed were committees for environmental protection attached to the national committees. Several participants presented proposals for improving their function. They suggested, for example, that the committees should not have just an advisory voice, that their authority should be increased, that deputies' controlling authority in this area should be broadened, etc. Participants in the aktiv often criticized society for its inconsistency on environmental protection. This is manifested not only in the inadequate prosecution of organizations for breaking laws designed to protect the environment, but also in the tardy and thus far insufficient inclusion of Czechoslovakia in the global war against smoking. There was talk about unused potential in forestry, waste heat from nuclear power plants, and other momentous ecological and economic topics.

12605

### Lack of Foreign Publications Deplored

24000069a Prague SVOBODNE SLOVO in Czech  
19 Feb 88 p 6

[Article by A. Hostalek: "It Is Our Anguish Too."]

[Text] The chairman of the Soviet Cultural Foundation, academician Dmitrij Lichachov, wrote several articles for Soviet journals on the inadequately informed public, the declining educational level, disruption of the linkage with science and culture in the rest of the world, and in that connection about the general unavailability of books and journals.

"This is a very acute and unfortunately often very painful problem," wrote academician Lichachov, "many artists and scientists, due to the loss of those contacts, never create their best work, which results in many a personal tragedy as well as in enormous losses for society. We must select the best the world has to offer."

Academician Lichachov speaks about conditions in the Soviet Union, but ours are analogous to a considerable degree—we, too, are losing contact with science and

culture in the rest of the world and, same as in the Soviet Union, one of the causes is the lack of books and journals. The situation is quite serious here as well, because it appears to affect practically every field of creative activity. To be sure, there are areas where we are achieving good results, but even there it is not because of the conditions, but rather the result of extraordinary personal initiative which is sometimes so strong that it succeeds even despite those conditions.

"It is sometimes said that we lack diligence and initiative, but I do not think that is the case at all," said academician Armin Delong, director of the Institute of Instrumentation Technology in Brno. "In my opinion the exact opposite is true. Unfortunately, however, we lack everything else. If I were to make a comparison—no one goes for a European championship armed only with verve and enthusiasm. One must have above all technical equipment and knowledge commensurate with the current level of proficiency." However, we talked with academician Delong mainly about the lack of foreign journals. "Fifteen years ago, someone determined that we can do without foreign journals, and ever since then the situation has grown worse each year. Now when someone manages to obtain, say, a copy of the Vacuum Science Technology for the Institute, I pick up the journal with a certain feeling of excitement. It is only then that I learn about what goes on in the rest of the world, what congresses have on their agenda, about what we have slept through."

The well-known specialist in transplants, chief of the 2nd surgical clinic and of the department of cardiovascular medicine of the university hospital in Brno, Prof Dr Vladimir Koristek, DrSc, laureate of the Klement Gottwald Prize and holder of the Order of Labor, also spoke about this problem in a similar vein:

"When we began to restrict the purchases of foreign journals, we started down a thoroughly bad road. Things were not too bad here up until 1972, but in 1973 they cancelled the American Heart Journal, in 1974 they stopped our subscription to 2 other journals, in 1976 another 4 journals, and so it went, until today we are subscribing to only 2 foreign journals. I subscribed to the Journal of the International Organ Transplant Society on my own. But the Ministry of Foreign Affairs did not furnish me with the special number needed to pay subscription costs through the bank, thus cancelling my subscription. I consider this to be a loss to our entire medical profession. The journal was the main source of information about transplants in the rest of the world."

The situation is similar in the case of books and periodicals. As academician E. Hadac not long ago pointed out, there is practically no literature in the area of ecology and environmental protection, there are even no specialized dictionaries for translating in individual scientific fields, no literature is available in geology, there is an inadequate supply of information on agriculture and biology. I went to the State Science Library in Brno in

order to obtain numbers to substantiate this statement. Thus: in 1937 the library was receiving 2,500 foreign periodicals, in 1975 still more than 1,500, by 1980 only 635, and in 1986 just 226. At the same time, between 1975 and 1986 the allotment for the purchase of periodicals declined by more than Kcs 1,000,000. It was relatively two-and-a-half times higher in 1975 than in 1986. As far as foreign publications are concerned, the enterprise Foreign Literature now buys practically none for the library, so it is impossible to make any comparisons.

In these numbers are included, of course, not only scientific, but also cultural periodicals. And it is precisely the periodicals dealing with culture and history that are the most restricted. It is in a way understandable, because if I have a substantially reduced allotment of foreign exchange, I will be more inclined to buy a health care journal or one in a practical field. Nevertheless, to quote academician Lichachov again: "The tendency to restrict cultural influences results in a break with historical consciousness which is the basis of culture. Today, the middle generation is not conversant with the sources of European culture, and the young generation cannot even define good and evil."

The inadequate knowledge of languages by the current generation was pointed out by the translator and playwright Ludvik Kundera. He spoke about the fact that the number of publications in the area of culture and the arts is in no way commensurate with the needs of society today, and he added: "Owing to a certain isolation from the neighboring world, the need to speak foreign languages diminishes as well. My generation," he said, "was drilled in German and French, and the present generation ought to know Russian and some English. And is that actually the case? Not that I can notice!" About the lack of foreign books he said: "That is a sore point of highly specialized people in every field; they may write to a colleague here and there, but the book does not come. Undergo the ordeal of trying to expedite things? Try to find out where it is being held up? Who has the stamina for that? But then, of course, it is hard to talk about professional standards. The sad thing is that one has to expend an inordinate amount of time and energy to hunt up information which should be available as a matter of course!"

For the conclusion of my article I prepared again a quotation from academician Lichachov: "Our society needs books which would promote spiritual contact between it and other nations. Great science and culture never develop behind a Chinese Great Wall. They only grow as a result of interaction with other cultures. Great science and culture is great because it admits experiences from other countries, absorbs them and is enriched by them."

12605

## HUNGARY

### **Text of New Passport, Foreign Travel Law** *25000128 Budapest MAGYAR KOZLONY in* *Hungarian 23 Dec 87 pp 1459-1469*

[Text]

#### Part I.

#### Decrees With the Force of Law

#### **Decree With the Force of Law No 25 of 1987 by the Presidium of the Hungarian People's Republic Concerning Travel Abroad and Passports**

Paragraph 1. It is the fundamental right of Hungarian citizens to travel abroad. This right may be limited only in exceptional cases as specified in this Decree with the Force of Law, in the justified interest of protecting state security, public order and the interest of others.

Paragraph 2.

(1) Hungarian citizens may travel abroad while holding a valid passport issued by the passport authority.

(2) Within its terms of validity, the passport represents an authorization to travel several times to all countries of the world.

(3) While abroad, the rights and interests of Hungarian citizens are protected by representative organs of the Hungarian People's Republic abroad.

Paragraph 3.

(1) Passports are public documents inscribed with the words "Hungarian People's Republic" and with the insignia of the state.

(2) Passports are valid for a five year period beginning on the date of their issuance. Their expiration dates may be extended.

(3) Hungarian citizens abroad prove their identity and their citizenship with passports.

(4) Passports are the property of the Hungarian People's Republic.

Paragraph 4.

(1) Types of passports:

- (a) diplomatic passports;
- (b) official ["service"] passports;
- (c) private passports; and
- (d) passports of Hungarian citizens residing abroad.

Paragraph 4.

(2) Other travel documents:

- (a) emigration permits; and
- (b) repatriation documents.

Paragraph 4.

(3) A travel document not listed in Paragraph 4.(2) above also may be introduced for travel in the border region.

Paragraph 5.

(1) Persons authorized to receive diplomatic passports are defined by the Council of Ministers.

(2) Official passports may be issued for official travel serving state, societal or economic interests. Persons entitled to hold official passports are defined in other law. Official travel with an official passport is ordered by the chief or deputy chief of the dispatching entity. In cases involving the entity's chief, this is the person who acts as the employer. In ordering travel the length of stay abroad is defined.

Paragraph 6. Private passports are issued to persons who travel abroad for private or official purposes for a defined period of time.

Paragraph 7.

(1) Hungarian citizens may travel abroad for purposes of settling abroad, provided that such persons

- (a) wish to relocate abroad in order to reunite with a blood relative or with a spouse who resides abroad;
- (b) have no support obligations, financial obligations to public authorities or other debts in Hungary, alternatively, if they entered into an obligation to fulfill such commitments and the fulfillment of those commitments is appropriately secured; and
- (c) enjoy secure financial conditions for settling abroad; and further, provided that
- (d) persons subject to call by the military hold permissions from the minister of defense to relocate abroad; and that
- (e) none of the circumstances specified in Paragraphs 12.-15. which exclude or limit the issuance of passports exists.

(2) Permission to settle abroad may be granted by the passport authority. Under justifiable circumstances the authority may waive the conditions specified in Paragraph 7.(1)(a) and (e) above.

Paragraph 8.

(1) For purposes of settling abroad

(a) passports of Hungarian citizens residing abroad may be granted to persons who wish to reside abroad as Hungarian citizens; and

(b) emigration permits must be given to persons who seek to surrender their Hungarian citizenship.

(2) Emigration permits must also be given to persons who do not seek to surrender their Hungarian citizenship, or who, by virtue of exclusionary criteria (Paragraphs 12.-15.), are not eligible to receive passports of Hungarian citizens residing abroad, but for justifiable cause receive permission to settle abroad.

Paragraph 9. Passports of Hungarian citizens residing abroad may be granted to persons residing abroad who

- (a) prove or render probable their Hungarian citizenship; and
- (b) desire to maintain their Hungarian citizenship.

Paragraph 10.

(1) Hungarian citizens residing abroad may permanently repatriate if

- (a) they prove or render probable their Hungarian citizenship;
- (b) their sustenance in Hungary is assured;
- (c) there are no outstanding financial claims against them abroad; and
- (d) none of the circumstances specified in Paragraphs 12.-15. which exclude or limit their eligibility to hold passports exists.

(2) Permanent repatriation permission is granted by the passport authority; under justifiable circumstances the authority may waive the conditions specified in Paragraph 10.(1)(d) above.

(3) Provided that Hungarian citizens residing abroad wish to permanently repatriate and hold Hungarian passports, permissions to repatriate shall be noted in their passports.

(4) Repatriation documents must be given to Hungarian citizens residing abroad who do not hold passports.

(5) Repatriation documents must also be given to Hungarian citizens temporarily residing abroad, whose valid passports were lost, damaged or filled up.

Paragraph 11. In order to cross the state's borders Hungarian citizens must have at their disposal financial means sufficient for travel abroad, as such financial means are defined in other law. The customs and revenue services are authorized to enforce this provision.

Paragraph 12.

(1) No passports may be granted to persons who

(a) are subjects of criminal proceedings for the commission of crimes punishable by three or more years in prison pursuant to law;

(b) have been sentenced to prison and are awaiting to serve their terms, or are under reinforced custody and have not completed their terms; or who

(c) are wanted for the commission of crimes, or against whom there are outstanding warrants for arrest.

(2) Further, no passports may be granted to persons who

(a) during an earlier stay abroad seriously violated the laws of the Hungarian People's Republic;

(b) have been sentenced to prison or have a criminal record; or who

(c) are subjects of compelling police action.

(3) Notwithstanding the provisions of Paragraph 12.(2) above, in exceptional cases passports valid for a one-time travel to a limited area may be granted [to persons disqualified under Paragraph 12.(2)].

Paragraph 13.

(1) Issuance of passports may be denied to persons

(a) whose travel abroad endangers state security; or who

(b) are subjects of criminal proceedings for the commission of crimes punishable by less than three years in prison pursuant to law;

(c) have criminal records, other than cases specified in Paragraph 12.(2)(b);

(d) are under protective supervision;

(e) have outstanding debts stemming from a criminal case payable to the state;

(f) do not meet support obligations based on an affirmed judicial decree, and against whom attachment of assets has been ordered;

(g) have not satisfied significant financial obligations and for which attachment of assets has been ordered, or against whom there are pending proceedings for failing to satisfy significant amounts of tax obligations;

(h) are Hungarian citizens residing abroad, and who have severely violated the laws of the Hungarian People's Republic at the time of an earlier return to Hungary, or who have been found guilty of the commission of a crime abroad which also constitutes a crime pursuant to Hungarian law, or who have been deported; or who

(i) crossed the borders of the Hungarian People's Republic without permission or in a manner not permitted, or have remained abroad by frustrating the rules pertaining to foreign travel and to stay abroad, and less than five years had passed since they departed from Hungary.

(2) Sections (e), (f) and (g) of Paragraph 13.(1) shall be enforced if the citizens' travel abroad endangers the satisfaction of the outstanding claims. The citizens' financial situation shall serve as the criterion for determining whether the satisfaction of claims is endangered.

(3) Obligations to pay support and significant financial obligations shall be taken into consideration only if [the potential] failure to satisfy such obligations by virtue of travel is claimed by persons whose interests would be violated by non-payment of support or of significant financial obligations.

Paragraph 14. In exceptional cases private passports may be issued to holders of state secrets to which significant interests are attached.

Paragraph 15. Persons may be ineligible to travel abroad for a period not exceeding five years, to be counted from the date of commission of [one or more of] the following acts:

(a) attempt to obtain a passport by misleading the authorities, or by presenting false information in the passport application;

(b) abuse of passport, particularly the extension of an earlier stay abroad on the traveler's own volition, or the acceptance of employment abroad without permission;

(c) loss or destruction of passports resulting from the holders' fault;

(d) actual or attempted travel abroad without necessary financial support;

(e) violation of customs or foreign exchange rules while traveling abroad;

(f) commission of crimes abroad or of crimes related to travel abroad, for which the traveler's responsibility was established, and which constitute crimes also pursuant to Hungarian law; or

(g) assistance rendered with respect to a Hungarian citizen's illegal departure from Hungary within the last five years, or assistance rendered to such citizen with respect to his or her stay abroad.

Paragraph 16.

(1) A passport must be revoked from travelers provided that

(a) circumstances specified in Paragraph 12. exist;

(b) the passport was falsified;

(c) the passport had been damaged to an extent rendering it unsuitable either for travel abroad or for the determination of the identity of its holder; or

(d) the cause for entitlement to an official passport has ceased to exist.

(2) A passport can be revoked if the circumstances specified in Paragraphs 13.-15. exist.

(3) Every authority, official and employer must immediately notify the passport authority of the existence of circumstances specified under Paragraphs 12., 13., and 15., as well as in Paragraph 14.(1)(b), provided that knowledge of such circumstances was gained by virtue of an official proceeding or through employment.

Paragraph 17.

(1) The judiciary, the prosecutor, the policeman, the border guard, the revenue officer as well as all workers authorized to represent the Hungarian People's Republic abroad, may confiscate a passport in the course of their official duties if the existence of circumstances specified in Paragraphs 12., 13., and 15., as well as in Sections (b) and (c) of Paragraph 16.(1) is found.

(2) Confiscated passports shall be forwarded without delay to the passport authority.

Paragraph 18.

(1) Within their terms of validity, passports authorize their holders for stays abroad not exceeding 90 days per trip for personal purposes, unless otherwise specified by law.

(2) The passport authority and representative organs abroad are authorized to extend the validity of passports.

(3) No special permission is required for stays abroad exceeding 90 days for

(a) pensioners and persons who have reached the age of old-age pension prior to the expiration of the passport;

(b) family members of holders of official passport residing with the holder of the official passport during the holder's tour of duty; and

(c) persons authorized to accept employment abroad and their family members who reside with such persons, as well as persons authorized to study abroad, until the expiration of their authorizations.

Paragraph 19.

(1) Visas required for travel abroad may be obtained by ministries, national organizations, social organizations, and national organizations representing interests, as well as legal persons authorized to perform the business-like organization and service of international travel.

(2) Visas required for private travel may be obtained by the traveler in person, or by a close relative (Civil Code of Laws Paragraph 685.(b)).

Paragraph 20.

(1) This Decree with the Force of Law shall be enforced by the minister of interior. The minister of interior is authorized

(a) to define passport authorities, persons entitled to receive official passports and the order in which official passports are being used, the types and the issuance

conditions for other travel documents specified in Paragraph 4.(3), and the persons entitled to make notations in passports, and to initiate travel documents for persons whose travel abroad may be authorized as a matter of exception; and

(b) to regulate, in agreement with the foreign minister, the duties of representative organs abroad, as such duties relate to passports.

(2) Authorizations

(a) The Council of Ministers is authorized to promulgate requirements concerning the financial means necessary for foreign travel, and further, to specify by exception countries in which the interests and rights of Hungarian citizens cannot be assured, and in which passports are not valid;

(b) the foreign minister is authorized to prescribe rules in agreement with the minister of interior concerning the issuance of diplomatic passports and official passports needed by the foreign service in pursuit of its duties, and to issue such passports;

(c) the minister of defense is authorized to prescribe additional conditions for the foreign travel of persons of military age; and

(d) the president of the Central Statistical Office is authorized to order the provision of statistical data concerning the foreign travel of Hungarian citizens, in agreement with the minister of interior.

(3) Additional conditions warranted for the foreign travel of active duty members of the armed forces, and the professional members and civilian employees of armed bodies and regulatory organs shall be prescribed by the minister of interior, and in agreement with the minister of interior by the minister of defense, the minister of justice, the minister of finance and the national commander of the workers guard. Such conditions shall be established in due consideration of the peculiar circumstances applicable to these forces, bodies and organs.

Paragraph 21.

(1) This Decree with the Force of Law shall take effect on 1 January 1988.

(2) Decree with the Force of Law No 20 of 1978, and its modifying Decree with the Force of Law No 18 of 1982, and further, the Council of Ministers Decree No 53 of 10 November 1978, and its modifying Council of Ministers Decree No 60 of November 27 1981, as well as Council of Ministers Decree No 38 of 26 August 1982 are no longer in force. *Signed: Karoly Nemeth, President of the Presidium of the Hungarian People's Republic Signed: Imre Katona, Secretary of the Presidium of the Hungarian People's Republic*

**Decree With the Force of Law No 26 of 1987 by the Presidium of the Hungarian People's Republic Concerning Certain Foreign Exchange Decrees**

Paragraph 1. If from the standpoint of the application of legal provisions pertaining to foreign exchange a natural person who qualifies as a native subject (hereinafter: native) offers convertible foreign currency which he owns (possesses or is available to him) to the Hungarian National Bank or to an entity authorized to receive such currency between 1 January 1988 and 31 March 1988, upon the native's request, a maximum of 75 percent of the foreign currency offered must be credited to a separate travel account opened in the name of the native.

Paragraph 2. In the matter regulated under Paragraph 1., the native cannot be punished for acquiring foreign currency prior to 1 January 1988 in violation of the foreign exchange laws, and for having committed the crime of violating foreign exchange management by failing to offer for sale said foreign currency prior to 31 March 1988 (Criminal Code of Laws, Paragraph 309). For these reasons no criminal proceeding may be initiated against the native, nor can he be held accountable for foreign exchange rule violations (Sztv. Paragraph 116), nor can a rule violation proceeding be initiated against him.

Paragraph 3.

(1) This Decree with the Force of Law shall take effect on 1 January 1988. Its provisions do not apply to criminal and rule violations proceedings in progress.

(2) The minister of finance will enforce Paragraph 1. of this Decree. The minister of justice, the minister of interior, the minister of finance and the supreme prosecutor will enforce Paragraph 2. of this Decree. *Signed: Karoly Nemeth, President of the Presidium of the Hungarian People's Republic Signed: Imre Katona, Secretary of the Presidium of the Hungarian People's Republic*

**Decrees by the Council of Ministers**

**Decree No 79 of 23 December 1987 by the Council of Ministers Concerning the Financial Conditions of Travel Abroad**

Paragraph 1. Pursuant to foreign exchange regulations, Hungarian citizens holding valid passports shall be deemed to be native subjects and are entitled to receive foreign exchange for purposes of private travel abroad.

Paragraph 2. In order to cross the border, Hungarian citizens holding private or official passports must have at their disposal foreign exchange received from official sources. The amount of the necessary foreign exchange is fixed by law.

Paragraph 3. The finance minister is authorized to issue a decree in order to

(a) determine the rules for the supply of foreign exchange for private travel abroad;

(b) define the origin of foreign money which may be deemed as official from the standpoint of departure;

(c) establish the amount of foreign exchange mentioned in Paragraph 2.;

(d) provide relief to a defined group of citizens from under the obligation mentioned in Paragraph 2.

Paragraph 4. This Decree shall take effect on 1 January 1988. *Signed: Karoly Grosz, President of the Council of Ministers*

**Part II.**

**Decrees by the Members of the Council of Ministers**

**Decree No 3 of 23 December 1987 by the Minister of Interior Regarding the Implementation of Decree With the Force of Law No 25 of 1987 Concerning Travel Abroad and Passports (hereinafter "Decree No 25")**

On the basis of authorization contained in Paragraph 20.(1) of Decree No 25 of 1987 concerning travel abroad and passports, and in agreement with concerned ministers, leaders of national organizations, national groups representing the interests of cooperatives and with the National Council of Trade Unions [SZOT] I order the following:

**Validity of Passport**

Paragraph 1. Passport expiration dates may be extended if the passports are suitable for purposes of establishing personal identity and for official notations.

**Contents of Passport**

Paragraph 2. Passport shall contain:

- (a) passport number;
- (b) personal data and personal identification number;
- (c) personal description;
- (d) photograph;
- (e) signature by the passport holder's own hand;
- (f) the areas of travel in which the passport is valid and its expiration date;
- (g) the family status of a Hungarian citizen residing abroad, and the name of the state in which the citizen permanently resides.

**Official Passport**

Paragraph 3.

(1) Official passports may be granted to:

- (a) employees of ministries and of national organizations;
- (b) regular and corresponding members of the Hungarian Academy of Sciences;



(c) judges and prosecutors;

(d) presidents, deputy presidents and executive committee secretaries of the councils of Budapest, counties, cities subject to county jurisdiction, and of the various districts of Budapest;

(e) officers and employees of social organizations, of mass organizations, of the national bodies of organizations representing interests as well as of their Budapest and county organizations;

(f) persons traveling abroad for the implementation of interstate agreements for a period exceeding one year, if travel is not for the purpose of employment abroad;

(g) employees and experts of international organizations;

(h) employees of the Hungarian Postal Service, the Hungarian Radio, the Hungarian Television, the Hungarian News Agency [MTI] and of the Hungarian press;

(i) employees of state enterprises and institutions regularly participating in international tourism and trade;

(j) employees (members) of organizations that conduct international trade activities, on the basis of agreements reached between the minister of interior and the minister (head of a national organization) which supervises and directs those activities;

(k) personnel serving on ocean-going vessels or river boats engaged in the transportation of passengers or cargo; relative to river boats the spouse and minor child who continuously accompany the person on duty; as well as hydrographic workers, who jointly with neighboring countries perform cooperative hydrographic duties and travel the waters in the border region for purposes of preventing water and ice damage; and

(l) in case of long-term foreign assignments the spouse and minor child residing with the person specified in Paragraph 3.(1)(a)-(j).

(2) Official passports may be issued to persons not enumerated in Paragraph 3.(1) upon the recommendation of a person authorized to order official travel (Decree No 25, Paragraph 5.(2)).

#### Paragraph 4.

(1) Orders for travel with official passports must be issued in writing and records concerning such orders, travelers and passports must be maintained.

(2) The passport authority must be notified of the discontinuance of a person's authority to hold an official passport.

(3) Compliance with orders pertaining to official passports and to the administration of related matters is under the control of the Passport Division of the Ministry of Interior, National Central Police Headquarters Regulatory Group Headquarters ["Budapesti Rendőrfőkapitányság Igazgatásrendészeti Csoportfőosztály"] (hereinafter "Passport Division").

#### Paragraph 5.

(1) Regarding travel with private passports for purposes of official duty shall be governed by provisions pertaining to travel with an official passport (Decree No 25, Paragraph 5.(2)).

(2) Persons ordering official travel abroad are authorized to control the legal implementation of such travel.

#### Other Travel Documents

Paragraph 6. Travel documents mentioned in Decree No 25, Paragraph 4.(3) are as follows:

- (a) Border transit document;
- (b) Border transit permit.

#### Border Transit Document

##### Paragraph 7.

(1) Border transit documents may be issued to persons in need of transiting the border for the implementation of tasks along the border that stem from authorizations made by some state organ or business organization, or from international agreements.

(2) Holders of border transit documents are authorized to effect multiple crossings of the border without special permission, at designated segments of the border or at border crossing points.

#### Border Transit Permit

Paragraph 8. Border transit permits may be granted pursuant to provisions contained in international agreements and in laws providing for their implementation.

#### Authority and Jurisdiction

##### Paragraph 9.

(1) Authority to adjudge applications for private passports and for border transit permits rests with district police headquarters. Authority to adjudge applications for repatriation and for settling abroad rests with county (Budapest) central police headquarters (hereinafter: "central police headquarters").

(2) Authority to adjudge applications for official passports, border transit documents and for passports applied for by persons residing abroad rests with the Budapest central police headquarters.

(3) The passport division is authorized to adjudge any and all travel documents.

(4) From among organs having identical authority

(a) applications for private passports for purposes of private travel shall be adjudged by the authority having jurisdiction at the applicant's permanent residence; for purposes of official travel the authority having jurisdiction at the place where the organization ordering official travel is domiciled;

(b) applications for settling abroad and for border transit permits shall be adjudged by the authority having jurisdiction at the applicant's permanent residence;

(c) applications for repatriation shall be adjudged by the authority having jurisdiction at the future place of the applicant's permanent residence.

Paragraph 10.

(1) Passports and other travel documents shall be issued by the authorities defined in Paragraph 9.

(2) Representative organs abroad shall issue repatriation documents; they may also issue passports for Hungarian citizens residing abroad.

(3) Passport expiration dates may be extended by the authority responsible for adjudging passport applications.

Paragraph 11.

(1) Notations into passports may be made by the authority issuing passport, by border guards, by organizations authorized to sell foreign exchange, and by foreign authorities.

(2) Outside of Hungary the representative organs abroad shall enter notations into official and private passports concerning the extension of the validity of passports and concerning extensions of stay abroad, as well as notations into passports of persons residing abroad concerning changes in family status and states of permanent residence.

**Passport Application**

Paragraph 12.

(1) Applications for passports must be made on the application for passport form, and must be submitted to the authorities having jurisdiction to adjudge the application. A sample application form is contained in the appendix.

(2) Hungarian citizens residing abroad must submit applications for passports and for repatriation at the representative organs having jurisdiction in the area of the applicants' permanent residence.

Paragraph 13.

(1) Applications for official passports shall be submitted by the organizations that order foreign travel. Applications for border transit documents shall be submitted by the organs defined in Paragraph 7.(1).

(2) Applications for private passports for purposes of official travel may be submitted either by the organization which orders travel, or by the applicant.

(3) In cases not provided for in Paragraphs 13.(1)-(2) applications for passports must be submitted in person by the applicant. In cases involving family members residing with the applicant, the application may be submitted also by the parent, the spouse or by an adult child. Applications for minors may be submitted by the minor's legal representative.

Paragraph 14.

(1) Applicants must attach to the application for an official passport or for a private passport the following:

(a) two passport photographs not more than two years old;

(b) in cases of official travel with private passport a certification from the organization that ordered the travel, but only if the application for passport is submitted in a jurisdiction other than that of the applicant's permanent residence;

(2) Hungarian citizens residing abroad must attach to the application for passport or to the application for repatriation the following:

(a) evidence of Hungarian citizenship;

(b) two passport photograph not more than two years old;

(c) in the event of permanent repatriation a notarized statement of sponsorship, alternatively an assurance that residence and livelihood is secured in Hungary; and

(d) a statement evidencing the settlement of outstanding financial obligations abroad.

(3) For purposes of settling abroad, Hungarian citizens must attach to their applications for passport or for an emigration permit the following:

(a) preliminary visa from the host country;

(b) marriage certificate in case of settlement abroad for purposes of reunification with spouse;

(c) statement evidencing that the applicant has no support obligations, debts payable to public authorities or other debts in Hungary, and if there are such debts and obligations, how the applicant intends to settle those;

(d) determination of approval by the public guardianship authority in cases involving minors;

(e) permission by the minister of defense in cases involving persons of military age;

(f) invitations for permanent settlement abroad issued or authenticated by representative organs abroad, foreign authorities or by notary publics; in the event that the invitation is not presented in the Hungarian language, a true translation of the invitation in the Hungarian language;

(g) two passport photographs not more than two years old.

(4) In cases involving minors up to the age of 14, if the photograph in the passport is no longer suitable for personal identification, the passport issuing authority places a new photograph into the passport.

#### Paragraph 15.

(1) Applications submitted by minors or by persons under guardianship must be accompanied by the parent's (legal representative's) permission granted before a notary public, the public guardianship authority or the passport issuing authority. In cases involving minors residing in the common household of both parents, a statement of permission from both parents is necessary.

(2) There is no need for a statement of permission from a parent if that parent's custody over the minor has been discontinued or if that parent's exercise of parental supervision has been suspended.

#### Adjudging Applications

Paragraph 16. If warranted (official interest, death, serious illness, etc.) applications for passports and for other documents will receive priority in the adjudgment made by the passport authority.

#### Appeal

##### Paragraph 17.

(1) Rejections of applications for passports and for other travel documents, and rescissions of passports and other travel documents may be appealed. Appeals must be filed within 15 days from date of delivery of the determination to reject or to rescind, to the authority that made the determination, in foreign countries to the representative organ.

(2) The appeal must be filed for adjudication with the following authorities:

(a) central police headquarters, if the initial determination was made by the district police headquarters;

(b) Passport Division, if the initial determination was made by the central police headquarters;

(c) Regulatory Group Headquarters of the National Central Police Headquarters, if the initial determination was made by the Passport Division.

#### Exit Permit

##### Paragraph 18.

(1) Hungarian citizens residing abroad, holding passports or emigration permits require an exit permit in order to leave the Hungarian People's Republic for purposes of settling abroad.

(2) Exit permits must be requested from the central police headquarters that issued the travel documents at least 6 days prior to departure. In applying for an exit permit, the applicant must deliver the following:

(a) receipt for personal identification paper submitted;

(b) verification dated not more than 30 days prior to application evidencing that the applicant is free of debts;

(c) verification that an application to surrender Hungarian citizenship has been made in cases involving an emigration permit; and/or

(d) verification that the applicant has submitted his military papers to the recruiting district and regional defense (Budapest recruiting district) command, in cases involving persons of military age.

(3) Hungarian citizens residing abroad must leave the area of the Hungarian People's Republic with their passports and emigration permits within six months from date of issuance of these documents. If warranted, this time limitation may be extended.

#### Registration of Hungarian Citizens Settled Abroad

##### Paragraph 19.

(1) Persons having permanently settled abroad with a passport of a Hungarian citizen residing abroad must report for registration at the representative organ abroad having jurisdiction in the area of the citizen's permanent residence within three months from date of exiting Hungary.

(2) Persons having passports of Hungarian citizens residing abroad must report any change of address abroad, changes in family status, and births and deaths within 30 days to the representative organ abroad.

#### Entry by a Person Residing Abroad

##### Paragraph 20.

(1) Persons holding passports of Hungarian citizens residing abroad may enter the Hungarian People's Republic without special permission for a stay not exceeding 90 days.

(2) Permits for stays exceeding 90 days may be applied for at the district police headquarters having jurisdiction over the temporary residence of Hungarian citizens residing abroad. Applications must include a statement of reasons for prolonged stay.

(3) The district police headquarters may call upon the applicant to verify the reasons for application, as well as the availability of financial means during applicant's stay in the Hungarian People's Republic.

(4) The stay may not be prolonged, alternatively, the permission to extend the stay may be revoked in the event that the lifestyle and conduct of the Hungarian citizen residing abroad is inconsistent with the declared purpose of his stay, or if the financial backing for his stay is not secured.

#### Paragraph 21.

(1) Persons entering the Hungarian People's Republic with passports of Hungarian citizens residing abroad, must report their addresses to district police headquarters or police stations having jurisdiction over the citizen's temporary residence.

(a) Persons residing in the Bulgarian People's Republic, the CSSR, the SFRY, the People's Republic of Cuba, the Polish People's Republic, the Mongolian People's Republic, the GDR, the Romanian Socialist Republic or in the USSR must report their temporary residence on the thirtieth day of their stay, provided that their stay in Hungary exceeds 30 days;

(b) persons residing in countries other than those listed in (a) above must report their temporary residence upon entry,

(c) persons obligated to report their residence under (a) and (b) above must report changes of address within 48 hours.

(2) Persons residing in countries not listed under Paragraph 21.(1)(a) above and entering Hungary on a day other than a workday, need not report their addresses if their stay in Hungary will not exceed 48 hours.

(3) In the event that the person entering stays at a commercial establishment or at a place of abode managed by a legal person or a private person, the address of that person must be reported by the host. In the event that the person entering stays at a private home, the Hungarian citizen residing abroad must report his address personally or through his host.

#### Review of Documents

Paragraph 22. Except for documents containing state secrets, applicants may review all documents generated in the application for, and adjudging of passports and other travel documents.

#### Safeguarding of Passports

##### Paragraph 23.

(1) Upon completion of travel private passports remain with their holders. Citizens are obliged to carefully safeguard their passports.

(2) The secure safeguarding and appropriate utilization of official passports and border transit documents is the responsibility of organizations that order travel; such documents shall be handed to the traveler 72 hours prior to departure, and shall be returned by the traveler within 72 hours after conclusion of travel.

(3) Repatriation documents and passports of Hungarian citizens residing abroad—if notations pertaining to repatriation are contained in such passports—will be taken away by the border guards.

#### Confiscation of Passports

##### Paragraph 24.

(1) In case a passport is confiscated pursuant to Decree No 25, Paragraph 17 a receipt shall be issued, and the passport shall be forwarded within 24 hours to the issuing authority. Passports confiscated from Hungarian citizens residing abroad shall be sent to the Passport Division.

(2) The issuing authority, alternatively the Passport Division shall render a determination concerning the revocation or the return of confiscated passports.

#### Submission of Passports by Persons of Military Age

Paragraph 25. Persons of military age reporting for military duty must submit their passports to the military authorities having jurisdiction, pursuant to other provisions. The military authorities will safeguard the passports for the duration of the persons' military duties.

#### Submission of Passports

##### Paragraph 26.

(1) Damaged or filled up passports, or passports and other travel documents belonging to persons whose Hungarian citizenship has ceased, must be submitted to the issuing authority, alternatively to the representative organ abroad.

(2) A deceased citizen's passport and other travel documents must be submitted to the police, alternatively, if abroad, to the representative organ abroad by a relative of the deceased, or by whoever holds the passport and the travel documents in his or her possession.

**Lost Passports**

Paragraph 27.

(1) The loss, destruction, disappearance, or confiscation by foreign authorities of passports must be reported immediately to the issuing authority, or if abroad, to the representative organ abroad.

(2) Passports or other travel documents found must be submitted to the police without delay.

**Closing Provisions**

Paragraph 28.

(1) The effective date of this Decree is 1 January 1988.

(2) Council of Ministers Decree No 53 of 10 November 1978 and the implementing Minister of Interior Decree No 6 of 10 November 1978, as well as the Minister of Interior's modifying Decrees Nos 4 of 27 November 1981, 8 of 26 August 1982 and 8 of 10 December 1983, all pertaining to travel abroad and passports have lost their force.

(3) Passports issued prior to the effective date of this Decree may be used within their terms of validity pursuant to earlier rules.

(4) Persons holding private passports issued prior to 1 January 1984 must apply for a passport only if such passports do not contain country restrictions or expiration dates necessary for travel abroad. *Signed: Dr Janos Kamara, Minister of Interior*

**Passport Application Form**

Instructions:

At the time of application the applicant must submit:

(1) two passport photographs not more than 2 years old (applies only to passport applications);

(2) in the event of official travel a certification by the organization ordering travel, but only if the applicant files the application at a place other than his permanent residence;

(3) in the event that the applicant is a minor, the grant of permission by the parent (legal representative) before a notary public, public guardianship authority or passport authority; and

(4) fee stamps.

[Columns II and III] To be completed by the regulatory organ.

Price:

Applicant:

To be completed by the applicant on the basis of personal identification papers. Use typewriter or print in capital letters!

Personal number:

Family and first name:

Name used previously (woman's maiden name):

Place of birth:

Mother's name:

Permanent address and zip code:

Workplace and accurate address:

Height:....cm.

Color of eyes: \* Brown, Black, Blue, Grey, Green.  
\*Underscore as applicable.

Dated: 19.. year, .. month .. day

Applicant's signature—Parent's signature if applicant is a minor.

**Announcement**

A special edition of MAGYAR KOZLONY will be published in the near future. It contains—largely in a codified form—the legal provisions going into effect on 1 January 1988 concerning personal income taxes, entrepreneurial taxes, land taxes payable by private persons, and other provisions pertaining to social security and tax regulations applicable to the population.

The special edition may be purchased in Budapest at larger newspaper outlets, as well as at the Newspaper Store at 76 Bajcsy Zsilinszky ut, and in the countryside at newsvendors in county seats.

We are calling our subscribers' attention to the fact that the special edition of MAGYAR KOZLONY is available only through purchase.

**Announcement**

A special edition of MAGYAR KOZLONY has been published. It contains the codified texts of legal provisions going into effect on 1 January 1988 concerning general sales taxes and other economic regulators.

The special edition may be purchased in Budapest at larger newspaper outlets, as well as at the Newspaper Store at 76 Bajcsy Zsilinszky ut, and in the countryside at newsvendor in county seats.

We are calling our subscribers' attention to the fact that the special edition of *MAGYAR KOZLONY* is available only through purchase.

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## POLAND

### **POLITYKA Weekly News Roundup** *26000207a Warsaw POLITYKA in Polish* *No 8, 20 Feb 88 p 2*

[Excerpts]

#### **National News**

On the recommendation of the premier, the Sejm recalled Janusz Pawlowski, previously the minister of labor and social policy, who briefly held a portfolio in the reorganized cabinet (21 votes against, 61 abstaining). The new head of the ministry is Ireneusz Sekula (age 45), doctor of political science, president of the Central Office of Statistics, member of the PZPR.

The meeting of the working groups of the PZPR and the West German SPD ended with a joint communique. The criteria and means for creating structures of mutual trust and security in Europe were discussed. Both sides emphasized the necessity of liquidating, above all, the potential allowing a surprise attack. "The inequality and asymmetry should be liquidated through disarmament and not through armament."

The pay raises in the health service were quite calmly presented in a PAP report. The average wage is to increase by 14,900 zloty a month, including 6,000 zloty for increased costs of living that everyone received. Also this sum includes, among other things, supplements for length of service, expenditures for anniversary prizes, and retirement ceremonies. After the raise the average wage in the health service will be 90 percent of the average wage in the socialized sector, if wage movements are successfully maintained within the planned dimensions for this year. The health service is last in the wage hierarchy, and at best it will move up one position. The problem of the relation between wages in the health service and the entire economy will remain, as the PAP commentary says, "as yet open."

In the cathedral in the Warsaw Old Town, a pontifical mass to beatify Primate Cardinal Stefan Wyszyński was celebrated under the leadership of Cardinal J. Glemp.

A foundation for the development of agriculture is being formed. This effort is associated with an initiative American industrialist D. Rockefeller proposed during W. Jaruzelski's visit in the United States.

The listing for bony in the weekly *VETO*, 1,500 zloty (a week earlier, 30 January 1988, 1,380 zloty). The 20-dollar coin at a Jubiler store, 447,894 zloty and on the black market, 550,000 zloty.

Jan S., the author of anonymous reports employed in one of the financial institutions in Szczecin, was brought into court on a public charge. Investigations showed the groundlessness of his repeated, anonymous charges. Experts of the Voivodship Office of Internal Affairs determined who was the author of the anonymous charges.

Stefan Szymaszek, a former employee of the Kostrzyn Paper Plant, in spite of bureaucratic obstacles, has begun the production of toilet paper from waste paper. As *TRYBUNA LUDU* reports, today he employs 38 workers and produces 3.8 million roles of toilet paper annually, 80 percent of which goes to people in the Gorzow Voivodship.

As western broadcast services report, there has been a division in the underground, so-called Polish Socialist Party. The chairman J.J. Lipski and four other members of the presidium have submitted their resignations, accusing the others of cooperation with the security services. They in turn say that the division is a result of differences of opinion between the old guard and the "more radically oriented young wing of the party." Lipski told the correspondent for the Voice of America that if the remaining leadership of the Polish Socialist Party "does not cleanse itself" that he does not see "any way of continuing the activity of the party." A commentator for the BBC said that "regardless of where the truth lies, the prospects for the future of the opposition party are not bright." In the end, the English are experienced; for many years they have observed the disputes and intrigues among the political emigration in London.

At a party meeting at the management offices of Budostal 2 in Nowa Huta, the resolution of the Presidium of the Appeals Commission of the 10th PZPR Congress, which annuls the posthumous punishment excluding Edward Barszcz, the former director of Budostal, former mayor of Krakow, and former minister of construction, from the PZPR was read. Remember he committed suicide on 25 May 1981. The meeting called on the Krakow party committee and the editors of the *GAZETA KRAKOWSKA* to publish the essential contents of the resolution and an article withdrawing the charges against Edward Barszcz published in the newspaper in 1981-82.

Witold Kula, historian age 72, has died. Recollections on page 8.

#### **On the Left**

Anonymous notes into the wastebasket. In conjunction with the supplement of the decree of the Presidium of the Supreme Soviet of the USSR "On the Method for

Handling Citizens' Proposals, Recommendations, and Charges" Aleksander Sukharev, minister of justice for the RSFSR, commented in IZVESTIA: "The constitution speaks of the right to make accusations against the actions of individuals in management positions and also of state and civic bodies. This right is available to Soviet citizens, and not to anyone who appears incognito, anonymously. Thus the decree unambiguously recognizes that every statement by a citizen must be signed by him, giving his first and last names, place of residence, work, and study. Otherwise the letter will not be considered."

The USSR Council of Ministers has decided that from 1 July 1988 the ministries, institutions, and organization must reduce the number of official vehicles by 40 percent. The vehicles freed up will go to private individuals or taxi enterprises through broker sales or through brokerage trade enterprises.

"The decision to liquidate the right to make purchases for convertible currency in convertible-currency stores is a part of an action on a larger scale to deprive the governing layer of privileges," said Abel Agenbegian, a Soviet economist at a press conference in Stockholm. Actions will also be undertaken to end the special hospitals and vacation homes available only for individuals in the government and party. No decision has as yet been made on the fate of other special stores in which the elite gets its supplies. Politicians, however, must be prepared to lose their privileges."

The Sofia weekly POGLED on the negative phenomenon hampering the Bulgarian transformation: "We say that the bourgeois rotation of personnel is an inhuman law. This is true, but it is also true that anyone who begins to act as a brake is immediately eliminated. Until recently these iron, inhuman laws terrified us; now we see that it is more inhuman if the social mechanism fails or completely deteriorates, if a general overhaul becomes necessary."

Matyas Szueroes, secretary of the Hungarian Socialist Workers Party, asked on Hungarian radio about the situation of Hungarian national minorities: "We are striving to guarantee our national minorities rights within international cooperation with Yugoslavia, Czechoslovakia, the USSR, and Austria. We desire that our Romanian friends were also aware of the honesty of our intentions. On the grounds of our socialist principles we should act absolutely methodical manner to see to it that those of Hungarian origin in a country can participate equally in the building of the country of which they are citizens. In this area, current Romanian policy does not aim yet to be an authentic partner."

Nicolae Ceausescu at the plenum of the National Council of the Working People: "On some issues there can be a difference of approach, separate solutions. We have always taken this position, even when some, including our friends, said that we were diverging from genuine

socialism. But we did not make recommendations to anyone to copy us; thus, it is obvious that we will not agree for someone to pretend to omniscience so that they can give us advice on this or that issue."

Can telephone conversations be monitored? Reportedly such activities are not popular, but from the point of view of the law completely legal and justified responds the Slovak journal SMENA to its readers, who are upset that their telephone conversations at work are monitored. Representatives of the Slovak prosecutor general say that the enterprise directors can direct the appropriate internal services to monitor the conversations. Private conversations, including long-distance and international calls, are routinely made from telephones at work, which obviously exposes the plant to significant financial losses. Such conversations are an abuse, an action harmful to socialist property. The law requires protection of this property with all possible means.

In the GDR the first book on homosexuality has appeared. The printing of 10,000 copies immediately disappeared from the shelves. Its author, Prof Reiner Werner of the Humboldt University in Berlin said that only now had conditions become ripe for its publication. "It is hard not to notice the 350,000 homosexuals living in our country. They constitute 5 percent of the total population of the GDR." The scholar, who calls for toleration and complete integration in his work, directs a group of specialists working under a government directive to define the place of this group in social life.

#### Opinions

Prof Dr Zdzislaw Grzelak, director of the Inter-University Institute of Political Science in Lodz:

[Question] . . . Then who are we, revisionists or stalinists?

[Answer] A bit of one and of the other. The model for the operation of our party is after all old, without saying how old. There is still more centralism than democracy in it. There is still much empty space in the formula "the party is the same, but not the same." This empty space must be filled with democratic measures in the party according to time and necessity. For example, the relations between the elected bodies of the party and its apparatus has not changed in a sufficiently visible manner. There is little searching for new relations between the administration and the party. Do the party and administrative structures have to be mirror images of one another? . . . The party must reform itself.

(Interviewed by Dorota Obidniak in WIADOMOSCI SKIERNIEWICKIE, 28 January 1988)

**Law on Organization, Duties of Local Government Agencies**

26000203 Warsaw *DZIENNIK USTAW* in Polish  
No 40, 29 Dec 87 pp 545-549

[Executive order No 228 of the Council of Ministers dated 14 December 1987 regarding laws governing the organization and operations of local government agency offices; table of organization for people's councils' bureaus and people's councils' support positions]

[Text] Pursuant to article 141, paragraph 2, point 2 and, with the consent of the Council of State, pursuant to article 112, paragraph 3 of the law dated 20 July 1983 on the system of people's councils and territorial self-government (*DZIENNIK USTAW* No. 41, item 185 and No. 62, item 286, 1984, No. 21, item 100 and No. 31, item 173, 1985, No. 14, item 60 and No. 50, item 262, 1986, No. 47, item 227 and 1987, No. 14, item 83 and No. 33, item 181), the following is decreed:

Article 1.1. General-jurisdiction local government agencies discharge their responsibilities with the help of their offices.

2. The offices carry out functions associated with:

1) the local government agencies engaging in:

a) executive and management, organizational and administrative activities in order to fulfill the tasks of people's councils;

b) functions statutorily excluded from the scope of jurisdictional responsibilities of the people's councils;

2) the discharge by governors of the functions of government representatives;

3) local government agencies at the provincial level supervising local government agencies at the primary level;

4) general-jurisdiction local government agencies acting in their capacity of:

a) the founding agency for state enterprises;

b) the supervisory agency for organizational units other than state enterprises reporting to people's councils;

5) tasks of special-jurisdiction local government agencies in defense of our country set forth in other regulations;

6) the duty of the local government agencies to provide services for:

a) people's councils, their organs and councilmen, and the self-government of the populace;

b) provincial delegations of [Sejm] deputies;

c) collegiate consultative and advisory and decision-making organs operating under the people's councils and local government agencies;

7) tasks of local government agencies set forth in specific laws and acts promulgated in order to execute the laws.

Article 2.1. The governor assisted by lieutenant-governors and, in cases specified in the charter of the office, by the head (director) of the department responsible for organizational matters when he is entrusted with the responsibilities of the head (director) of the office manages the work of a provincial office.

2. The chief assisted by his deputy or deputies and the office secretary manages the work of an office at the primary level.

Article 3.1. The governor (chief) manages the office in keeping with the principle of one-person management and, bearing the responsibility for the results of its work, ensures conditions for its efficient organization, as well as lawful and smooth operation of the office.

2. In particular, the organ referred to in paragraph 1 ensures:

1) with regard to the operation of the office:

a) efficient discharge of organizational responsibilities to the institutions serving citizens, public services and local economic units,

b) leadership in social and economic undertakings, use of local initiative and implementation of volunteer work projects,

c) maintaining contact with the populace, carrying out social consultations and other forms of soliciting the opinion of citizens, their organizations and regional communities, informing the populace about actions taken by the state organs,

d) attentive and timely review of requests, complaints and other feedback from the populace;

2) with regard to the responsibilities of the executive and directing organ of the people's council:

a) preparation and presentation to the people's council of draft local socio-economic plans, budgets, plans for land-use management and plans and programs envisaged by other regulations or called for by the resolutions of the people's council,

b) fulfillment of the resolutions of the people's council and implementation of other determinations in matters statutorily placed under the jurisdiction of the people's councils,



c) preparation of materials, analyses, reports and information needed for the operation of the people's council and its organs,

d) timely response to questions, statements and requests,

e) creation of organizational and material-technical basis for the operation of the council and its organs and exercising the mandate of a councilman;

3) with regard to the functions of a founding organ and a supervising organ for enterprises and institutions reporting to the people's council or directly to a local government agency:

a) efficient implementation of initiatives aimed at broadening the scope of local economic operations in production, services and distribution of goods,

b) proper operation and development of public service institutions, technical public services, as well as proper operation and expansion of the communal infrastructure and other public-use technical facilities,

c) application of measures influencing state enterprises and other economic units envisaged by other regulations and of the means of supervising enterprises and institutions,

d) carrying out an active personnel policy and improving managerial cadres,

e) exercising control and enforcing the implementation of follow-up recommendations after inspections;

4) with regard to organizing operations at the office:

a) proper and timely action on the affairs of the populace,

b) setting forth the guidelines for operations and forms and methods of work in organizational units of the office,

c) organization of internal auditing,

d) implementation of personnel policy in the office,

e) maintenance of labor discipline.

3. The provincial office ensures organizational and material-technical prerequisites for the operation of the provincial delegation of deputies.

Article 4. The provincial office handles the affairs for which the governor is responsible as a local representative of the government, specifically:

1) measures ensuring that the tasks resulting from central plans and goals of national policy are carried out on the territory of the province,

2) control of the execution on the territory of the province of tasks resulting from laws, executive orders, resolutions and directives of the highest organs of state administration,

3) ensuring the cooperation of organizational entities operating in the territory of the province in matters of maintaining security and public order, as well as in preventing natural disasters and handling their consequences,

4) presenting to the relevant organs position papers regarding setting up, reorganizing and liquidating organizational entities operating on the territory of the province and the association of their activities with the socio-economic needs of the area,

5) presenting to the chairman of the council of ministers information, evaluations and recommendations on significant issues involving the implementation of national policy on the territory of the province.

Article 5.1. Lieutenant governors (deputy chiefs, office secretaries) discharge the responsibilities entrusted to them by the governor (chief) and report to them; the governor (chief) appoints the first deputy from among the lieutenant governors (deputy chiefs).

2. Discharging the responsibilities assigned to them by the governor (chief), lieutenant governors (deputy chiefs, an office secretary) ensure, within the scope of their authority, complete resolution of problems associated with the tasks of the office, and control the operations of departments and other organizational units of the office working on such tasks.

3. The number of lieutenant governors and deputy chiefs is set forth by other regulations.

Article 6.1. In a provincial office, the duties of manager (director) may be entrusted to the manager (director) of the department responsible for organizational matters.

2. Ensuring efficient operation of the office and prerequisites for its activities, as well as managing clerical work in the office, is a responsibility of the office manager (director) within the scope laid down by the general-jurisdiction local government agency.

3. The office secretary is responsible for carrying out the tasks referred to in paragraph 2 in primary level offices.

Article 7.1. The organization of the office is laid down in the office charter.

2. The office charter includes:

1) the name and place of business of the office,

2) a list and titles of management positions in the office,

3) a list and names of departments and other similar-level organizational units of the office,

4) the scope of responsibilities of individual departments and other organizational units of the office,

5) organizational units reporting to or supervised by the governor (chief) and enterprises for which the governor (chief) is the founding organ.

3. The charter of a provincial office should also include provisions regarding the nomination of and operational guidelines for the office board.

4. The office charter may include significant provisions on the organization and operations of the office other than those mentioned in paragraphs 2 and 3.

Article 8.1. The local general-jurisdiction government agency establishes the office charter.

2. The organ referred to in paragraph 1 submits the draft charter for review to the presidium of the relevant people's council.

3. The charter of a provincial office is subject to endorsement by the chairman of the Council of Ministers. The governor transmits the office charter for endorsement through the minister responsible for administrative matters.

4. The charter of a primary-level office is subject to endorsement by the governor. The chief transmits the office charter for endorsement through the manager (director) of the department in the provincial office responsible for organizational matters.

5. Before submitting the charter for endorsement, the minister responsible for administrative matters solicits the views of other interested ministers (heads of central offices).

6. Provisions of paragraph 5 apply accordingly to endorsing the charter of a primary-level office.

7. An office charter containing the outline of responsibilities for special-jurisdiction local government agencies takes effect 30 days after its publication in the official gazette of the province, and charters of other offices—30 days after their communication to the public by means customary in the area in question.

Article 9.1. An internal statute laid down by the governor (chief) in an executive order regulates specific internal organization and operations of the office.

2. A labor statute set forth pursuant to other regulations does not apply in an office where the internal statute (paragraph 1) regulates the course of work.

Article 10.1. Departments and other similar-level organizational units for comprehensive handling of related groups of tasks are set up in office, taking into account:

1) the scope of duties and authority,

2) local needs and conditions,

3) the requirements of lawful, efficient and economical operation of local authorities and government agencies,

4) other requirements of creating rational organizational structures.

2. As provided by specific regulations, departments and other similar-level organizational units, other organizational units or positions are created by offices; likewise, their names, responsibilities and organizational structure are established in accordance with such regulations.

3. Except as provided by paragraph 2, departments and other similar-level organizational units are not created by offices at the primary level if the chief, in accordance with article 137, paragraph 3 of the law, simultaneously discharges the responsibilities of a special-jurisdiction local government agency.

4. By virtue of the subject matter they handle, the organizational units and positions referred to in paragraphs 1 and 2:

1) handle assignments for the general-jurisdiction local government agencies (headquarters functions) and other organizational units of the office,

2) handle matters for special-jurisdiction local government agencies,

3) ensure that the goals are met in:

a) servicing the people's council, its organs and councilmen,

b) serving provincial delegations of [Sejm] deputies,

c) civil defense and other goals in the sphere of national defense,

d) other matters outlined in specific regulations.

5. Responsibilities of individual departments and other similar-level organizational units of the office are assigned on the basis of regulations in force, in accordance with the guidelines set forth in paragraph 1.

6. By an executive order, the governor (chief) assigns to departments or other similar-level units of the office new duties of local government agencies imposed by legal regulations, and updates the list of organizational units and enterprises referred to in article 7, paragraph 2, point 5.

Article 11.1. In cases justified by special needs of organizing the operation of a provincial office, the governor may appoint in this office a commissioner to handle affairs in keeping with the authority delegated to him; such delegation will not include the authority to issue executive orders.

2. If a commissioner is nominated for an indefinite period of time, the nomination and the scope of delegated authority are reflected in the statute of the provincial office.

Article 12.1. Multiperson and single-person work stations are created in departments and other organizational units of the offices and offices not divided into departments.

2. In cases where the need for an efficient operation so warrants, work stations may be combined into internal organizational cells:

1) in departments (other organizational units) of provincial offices—in sections,

2) in departments (other organizational units) of primary-level offices and in offices referred to in article 10, paragraph 3—in groups.

Article 13.1. The manager (director) of a department (other organizational unit of the office) organizes the operations of the unit he manages, assigns specific duties to employees and supervises the execution of these duties.

2. Managers (directors) of sections and other similar-level organizational units in the offices, except for the offices referred to in article 10, paragraph 3, are special-jurisdiction local government agencies.

3. Persons in charge of sections and other similar-level organizational units of an office may have service titles to which they are entitled by specific regulations, or service titles envisaged by the office charter and denoting the basic scope of their responsibilities.

4. A deputy manager (director) or deputy managers (directors) of a section or another organizational unit of the office, in case such positions are envisaged by the office charter, have responsibilities delegated to them by the manager (director) and report to him.

Article 14.1. A board operates at the provincial office as a consultative and advisory organ for the governor.

2. The board consists of lieutenant governors, manager (director) of the department responsible for organizational matters if he is entrusted with the responsibilities of the manager (director) of the office, as well as other persons nominated by the governor from among the employees of the office and of organizational units reporting to or supervised by this organ.

3. The governor chairs the proceedings of the board.

4. Specifically, the board reviews:

1) performance of basic duties imposed by:

a) the laws and acts promulgated to ensure their execution,

b) determinations by the Council of Ministers and the chairman of the Council of Ministers,

c) provincial socio-economic plans, provincial budget and other resolutions of the provincial people's council;

2) measures aimed at coordinating the work of the office and [ensuring] its efficient operations;

3) status of carrying out follow-up recommendations after inspections;

4) evaluation of work by primary-level local government agencies;

5) other significant issues placed on the agenda by the governor.

Article 15. The governor (chief) may appoint a team operating under the direction of a person nominated by him in order to prepare or review drafts of measures to be undertaken in a particular field of administration or local economy or to handle a task requiring cooperation by several organizational units.

Article 16. Organization of clerical activities in the offices is set forth in the clerical instructions issued by the minister responsible for matters of administration.

Article 17.1. Assignment of matters falling within the jurisdiction of a primary-level local government agency to another primary-level local government agency, envisaged by article 137, paragraph 5 of the law, is accomplished by way of a written agreement with this organ.

2. Specifically, the agreement outlines:

1) the kind and scope of matters assigned,

2) the authority to make administrative decisions in these matters,

3) the transfer of funds to handle the matters assigned.

3. In assigning matters to another organ, the local government agency should take into account in particular the need for efficient service to the populace.

4. The agreement referred to in paragraph 1 is announced in the official gazette of the province.

5. Provisions of paragraphs 1 and 4 apply respectively to the withdrawal of assignment to handle matters.

Article 18. Other regulations set forth the mode for a special-jurisdiction local government agency assigning matters falling within its jurisdiction to managers of state enterprises, plants and institutions which report to the people's council pursuant to article 137, paragraph 7 of the law.

Article 19.1. In bureaus of people's councils, positions are established based on the subject matter handled; sections are organized in special, justified cases upon consulting the presidium of the people's council.

2. The number of positions in the bureaus of people's councils and support positions for people's councils are set forth in the appendix to the present executive order.

Article 20. Whenever a reference is made in the present executive order to:

1) the law, further unspecified—the law dated 20 July 1983 on the system of people's councils and territorial self-government is meant,

2) provincial people's councils—the city people's councils of the capital city of Warsaw, Krakow and Lodz are also meant,

3) governors—the mayors of the capital city of Warsaw, Krakow and Lodz are also meant,

4) chief—mayor, city chief, neighborhood chief, city and township and township chief are meant,

5) provincial office—city offices of the capital city of Warsaw, Krakow and Lodz are also meant,

6) primary-level office—city, neighborhood, city and township and township offices are meant.

Article 21.1. Regulatory legal acts determining the organization of an office and issued on the basis of regulations in effect to date remain in force until the office is given a charter.

2. Acts whereby primary-level local government agencies assign matters falling within their jurisdiction to other primary-level local government agencies drawn up in the mode in use to date remain in effect until the agreements referred to in article 17 are signed.

Article 22. The executive order of the Council of Ministers dated 13 April 1984 on organization and operation of the offices of local government agencies (DZIENNIK USTAW No. 25, item 124 and No. 31, item 173) is hereby invalidated.

Article 23. The executive order takes effect on the day of publication.

[Signed] Chairman of the Council of Ministers: Z. Messner

Appendix to the executive order of the Council of Ministers dated 14 December 1987 (item 228)

**Table of Organization for People's Councils' Bureaus and People's Councils' Support Positions**

Name of the Bureau/Support Position—Number of Positions

I. Bureaus of provincial people's councils

1. Bureau of the People's Council of the Capital City of Warsaw—20
2. Bureau of the Provincial People's Council in Biala Podlaska—9
3. Bureau of the Provincial People's Council in Bialystok—10
4. Bureau of the Provincial People's Council in Bielsko-Biala—10
5. Bureau of the Provincial People's Council in Bydgoszcz—11
6. Bureau of the Provincial People's Council in Chelm—9
7. Bureau of the Provincial People's Council in Ciechanow—10
8. Bureau of the Provincial People's Council in Czestochowa—13
9. Bureau of the Provincial People's Council in Elblag—9
10. Bureau of the Provincial People's Council in Gdansk—12
11. Bureau of the Provincial People's Council in Gorzow Wielkopolski—9
12. Bureau of the Provincial People's Council in Jelenia Gora—10
13. Bureau of the Provincial People's Council in Kalisz—13
14. Bureau of the Provincial People's Council in Katowice—24
15. Bureau of the Provincial People's Council in Kielce—15
16. Bureau of the Provincial People's Council in Konin—9
17. Bureau of the Provincial People's Council in Koszalin—9
18. Bureau of the Provincial People's Council of the City of Krakow—17
19. Bureau of the Provincial People's Council in Krosno—9
20. Bureau of the Provincial People's Council in Legnica—11
21. Bureau of the Provincial People's Council in Leszno—9
22. Bureau of the Provincial People's Council in Lublin—16
23. Bureau of the Provincial People's Council in Lomza—10

24. Bureau of the Provincial People's Council of the City of Lodz—15
  25. Bureau of the Provincial People's Council in Nowy Sacz—9
  26. Bureau of the Provincial People's Council in Olsztyn—10
  27. Bureau of the Provincial People's Council in Opole—14
  28. Bureau of the Provincial People's Council in Ostroleka—10
  29. Bureau of the Provincial People's Council in Pila—9
  30. Bureau of the Provincial People's Council in Piotrkow Trybunalski—10
  31. Bureau of the Provincial People's Council in Plock—9
  32. Bureau of the Provincial People's Council in Poznan—14
  33. Bureau of the Provincial People's Council in Przemysl—9
  34. Bureau of the Provincial People's Council in Radom—10
  35. Bureau of the Provincial People's Council in Rzeszow—14
  36. Bureau of the Provincial People's Council in Siedlce—11
  37. Bureau of the Provincial People's Council in Siemradz—11
  38. Bureau of the Provincial People's Council in Skiernewice—11
  39. Bureau of the Provincial People's Council in Slupsk—9
  40. Bureau of the Provincial People's Council in Suwalki—9
  41. Bureau of the Provincial People's Council in Szczecin—16
  42. Bureau of the Provincial People's Council in Tarnobrzeg—9
  43. Bureau of the Provincial People's Council in Tarnow—9
  44. Bureau of the Provincial People's Council in Torun—9
  45. Bureau of the Provincial People's Council in Walbrzych—9
  46. Bureau of the Provincial People's Council in Wloclawek—10
  47. Bureau of the Provincial People's Council in Wroclaw—13
  48. Bureau of the Provincial People's Council in Zamosc—11
  49. Bureau of the Provincial People's Council in Zielona Gora—9
- II. Bureau of a city people's council in a city with a population over 300,000—8
  - III. Bureau of a city people's council in a city with a population between 150,000 and 300,000—5
  - IV. Bureau of a city people's council in a city with a population between 50,000 and 150,000—2-3
  - V. Bureau of a city people's council in a city with a population between 10,000 and 50,000—1-2
  - VI. Bureau of a neighborhood people's council—4-6
  - VII. Bureau of a city and township people's council—1-2
  - VIII. Support positions in a city people's council—1-2
  - IX. Support positions in a township people's council—1-2

## GERMAN DEMOCRATIC REPUBLIC

### Defense Minister Outlines Civil Defense Tasks *23000054 East Berlin SCHUETZEN UND HELFEN in German No 1, 1988 pp 2-4*

[Article by Army Gen Heinz Kessler, GDR Ministry for National Defense: "Three Decades of Commitment to the Protection of the Life and Property of Our Socialist Society"]

[Text] On 11 February 1988 the Civil Defense of the GDR celebrates its 30th anniversary. During the 3 decades of its existence, the Civil Defense, evolving from the air-raid protection system, has developed under the leadership of the Labor Party into a functional branch of our socialist society, which contributes to reliably ensuring the safeguarding of people, of our material and cultural assets from destructive influences.

Firmly rooted in the working class, the working folk of our nation, Civil Defense has on its side dependable partners and comrades-in-arms in the form of sister organizations from the other socialist countries. With their dedicated service, even under difficult and dangerous circumstances, members and volunteers alike of the Civil Defense became highly respected throughout the country.

Bearing witness are numerous successful mobilizations of leadership organs and units of the Civil Defense side by side with water and forest management personnel, the fire department and people's police on occasions when it was necessary to deal with conditions of high-water, forest fires and livestock epidemics, to clean up in the aftermath of serious traffic accidents and to ward off danger to life and property of our population.

An increasing number of citizens of our nation—workers and cooperative farmers, scientists and teachers, university and school students—are becoming involved in Civil Defense. They spend innumerable hours of their spare time acquiring the necessary experience and qualifications.

On this, the 30th anniversary, a special thanks to all the members and volunteers of the Civil Defense for their service! We extend our appreciation to the untiring and successful efforts of the men and women within teams and service forces, in factories and installations taking precautionary measures to prevent accidents and disasters, and preparing themselves to respond quickly and effectively to any destructive influences on our population and our national economy. After all, more than two-thirds of all units have attained the highest level of readiness. The disaster control exercises of recent years are evidence of steadily increasing efficiency.

In this context I would like to stress the progress achieved within the past years in all bezirke with regard to actual assessment of situations and territorial danger

analysis. As a result, those in charge were able to use as a starting point for appropriate exercises any possible damage to the territorial infrastructure, endangerment of the population and national economy from accidents and disasters, and to arrive at effective decisions.

In the Frankfurt (Oder) Bezirk, for example, leadership organs and units trained jointly with water management personnel for active embankment reinforcement during a threatening high-water situation on the Oder river. Here, consideration was given to experience gained during the ice flood of 1981/82 and the winter of 1986/87. At the same time, by means of practical projects, the task force enhanced the stability of the embankment systems for the protection of citizens and national assets from a flooding of the Oder break.

In the Halle bezirk, a large-scale exercise served as a preventive measure against the emission of harmful substances in one of the major high-density areas of the chemical industry, the Merseburg Kreis with its Leuna and Buna plants. During a very complicated, simulated crisis situation it was possible to gather valuable information, particularly on uniformly complex, territorial management involving all sectors. In the Potsdam bezirk with its abundance of woodlands, forest management, fire department, agricultural aeronautics and Civil Defense personnel demonstrated various tactical actions of joint forest fire fighting. This exercise demonstrated once again that prompt detection of the source of a fire and immediate, concentrated fighting of the fire can prevent possible wide-spread disastrous fires. In these instances, as well as in many other complex training procedures, government and leading economic organs as well as Civil Defense staffs of kreise and bezirke were able to prove that they are in control of difficult situations caused by major accidents and disasters. In many places these training missions or the general and specialized training for Civil Defense were combined with efforts to improve preventive accident and disaster control, expand the local infrastructure or stabilize public utility systems.

This is exemplified by the achievements of the Haldensleben rescue, repair and maintenance department which initiated the competition during the past training year. Within the scope of the training this unit assisted, as reported by their Commander Achim Volkmann, in installing a heating line and several connecting routes, which, among other things, eliminated latent, crucial danger points in a community.

Thousands of activities of this type bear witness in our cities and villages to how the humanistic mission of Civil Defense is being realized day in and day out: to protect and to assist where the lives and well-being of our citizens are at stake, and the safekeeping of our national assets.

Civil Defense was, is now and always will be a significant and indispensable part of our socialist society and also of the overall system of our national defense. Its main task is and continues to be the preventive protection of population and national economy, of material and cultural values of our nation from disasters and grave accidents or, respectively, the confinement and removal of the effects of this type and other destructive influences. This also includes the training of employees of government and economic organs, or parties and social organizations in managing Civil Defense measures as well as the training of the working population, school and university students in basic skills and knowledge required for self-help and mutual assistance.

In this context it is also evident that Civil Defense must contribute to preserving the defense capability of the GDR, for destruction can be caused both by damage to the economy or the transportation system and by the forces of nature, but also by criminal actions, sabotage and as a result of the use of arms by hostile military forces in the event of imperialist aggression.

It should even be said: As a result of a stronger manifestation of the defensive character of our military doctrine and of all our defense measures in line with the resolutions of the Berlin Conference of the Political Advisory Committee and the Bukarest Conference of the Committee of Defense Ministers of Warsaw Pact member states, the joint responsibility of our Civil Defense for maintaining peace is being enhanced as well. The correlation between the general strengthening of Socialism and the securing of peace, between the unity of SED economic and social policies and efforts toward effective civil defense and protection of the national economy is being recognized by an increasing number of citizens. This is taking place thanks to the persistent efforts to enlighten and persuade on the part of SED party organizations, union and FDJ organizations, of friendly parties and other social forces along side the full-time and honorary cadres of Civil Defense

Future descriptions of the functions and tasks of Civil Defense in our socialist nation—a developed, industrial nation which is densely populated and has a sensitive infrastructure, located in central Europe at the dividing line between Imperialism and Socialism—should demonstrate even more thoroughly that the Civil Defense is essential to our society and is intimately linked to the securing of the peace, to a universal strengthening of Socialism; they should also demonstrate the reasons why this is the case.

No doubt, the result of successes achieved in the fight for peace and disarmament, against the imperialist arms race and the threat of atomic war, and equally the result of the echo with which the far-reaching peace initiatives of the USSR, the GDR and other socialist nations were received, served to increase the confidence of members and volunteer workers of the Civil Defense in SED policies geared toward national prosperity and securing

of the peace. And their sense of responsibility has increased. This is evidenced both by their exemplary performance at the workplace and their many varied competitive activities under the motto "CD Initiative 11th Party Congress—preparedness at all times for peace and socialism." It is also this motto which places its stamp on the preparations for the 30th anniversary of CD.

On behalf of the many deserving members and volunteer workers the following names shall be given: Lieutenant Colonel of CD, Dieter Schulz, who as chief of staff for Luckenwalde Kreis spends a lot of time and effort so that the actual requirements of the Civil Defense are always properly reflected in the activities of the kreis assembly, the council and its special organs; Herbert Flach from Dresden who as commander of an RR department has a considerable part in the fact that this unit always achieved the highest level of preparedness; Brigitte Winte who trained her first-aid group from the Berlin civil engineering combine so expertly and carefully that this collective took first place in a central performance comparison of first-aid personnel. These three activists of our Civil Defense shall represent all those who on the 30th anniversary of this sector of our socialist society deserve our gratitude and tribute. Their exemplary commitment will still be needed in the time to come. Their example shall have an even more lasting effect overall. For with the resolutions of the 11th SED Party Congress a new phase has been initiated in the shaping of the developed socialist society.

As everyone knows, a characteristic of this phase is the accelerated development and application in our country of key technologies upon which the continued growth of economic performance and the impetus of our fight for securing the peace are dependent to a very critical degree. An expansive network of electrical energy, natural gas and city gas utilities, of companies and facilities operated by chemical, metallurgical, electronic, and electrotechnical industries, of traffic routes and communications, of pipelines, tank storage and hydrotechnical systems has been created and is being linked ever more closely. Causes and character of losses at sea and of damages have changed and continue to change, it is becoming more difficult to control them. This also increases the demands on Civil Defense. To meet these the latest findings in the field of science and technology must be purposefully exploited. The scientific conference for disaster control contributed a remarkable impetus in this respect.

Viewed overall, the specific contribution to be made by Civil Defense in the interest of production safety in our companies and of safety and security for our citizens in towns and communities is increasing. "The members and volunteer staff of the Civil Defense," stated the general secretary of the SED Central Committee, Comrade Erich Honecker, in February 1987 before the 1st Kreis Secretaries, "are expected to intensify their preventive efforts and continue to be ready and prepared at

all times to ensure reliable protection for population and national economy in the event of disasters, grave losses at sea and other damages. Respective documentation for quick action in threatening situations must always be updated to include current requirements, and training for necessary safety and rescue measures must occur on a regular basis."

This produces far-reaching, demanding consequences for the development of the operating forces. To increase their participation in fighting the effects of destructive influences means prompt development of the system of information collection, availability of an intelligence staff with the leadership organs, efficient handling of response levels in the event of flood control and forest fire fighting, selective preparation of special personnel, and training and deployment of personnel within districts and companies according to location and event.

An even closer cooperation with all the other local personnel, particularly from the fire departments, must be considered one very important condition for successful actions on the part of CD staff and units. This, in turn, requires thorough training of working people, school and university students for such tasks. The more successful we are in familiarizing them, both job- and

plant-related, with hazard sources, signals, safety measures, and conduct, the more effectively can collective as well as individual protection be guaranteed.

In a word: In all areas of our society—varying, of course, according to respective conditions—more attention should be given to the tasks of Civil Defense. Increasingly, it should become a matter of course in the everyday life in our socialist society to be able to hold one's own where necessary.

A high degree of safety and reliability in production and provision in all areas, a stable infrastructure, iron discipline in our daily work and especially in difficult situations are critical conditions for future success in realizing the strategic task in the unity of economic and social policy.

The members and volunteer personnel of the Civil Defense therefore have a very essential role in universally strengthening our republic and Socialism and in securing the peace. By concerning themselves with safety and order, with the protection of the citizens' lives and the national assets, they realize an important part of the profoundly humanistic spirit of socialist society.

13011/09599



## HUNGARY

### 1988 Budget Law Asserts Legislative Control Over Cabinet

25000116 Budapest *MAGYAR KOZLONY* in  
*Hungarian No 64, 28 Dec 87 pp 1568-1570*

[Text]

#### Law No 8 of 1987 Concerning the 1988 State Budget of the Hungarian People's Republic

##### Part 1

##### The 1988 State Budget of the Hungarian People's Republic

Consistent with the goals of the annual people's economy plan, the projections contained in the 1988 state budget serve the interest of stabilizing the economy pursuant to the governmental program adopted by the National Assembly. The main endeavor is that the state budget, together with the other instruments of fiscal policy substantially improves the economic balance and the opportunities for social and economic evolution. Thereby, by virtue of its own means, the state budget should support the evolution of conditions for structural transformation, and for a more balanced, more vigorous development of the economy in subsequent years.

Next year's budgetary projections are based on the concept that added value will increase by 1-1.5 percent. In order to halt the deterioration of the external balance it is necessary that domestic consumption as a whole, as well as within its individual categories be smaller than in 1987.

Total state revenues, i.e. the revenues projected in the state and council budgets as well as in segregated state accounts, increase by 11.8 percent. The corresponding increase in expenses is 9.4 percent. More than half of the revenues is derived from sources related to enterprises and cooperatives and from consumption-related taxes; almost one quarter represents social security contributions; one tenth constitutes payments by the population, and 5.9 percent represents funds collected by organizations that are subject to the state budgetary process. One third of the expenses is allocated to organizations that are subject to the state budgetary process; one quarter represents social security payments; 13 percent is allocated for the support of enterprises; and 11 percent is set aside for purposes of accumulation. With respect to money supply for [purposes of] accumulation, the ratio of direct state budgetary expenses is once again more moderate, while it increases in regards to the financing of consumption.

Having considered all of the above, based on the authority of Law No 2 of 1979, as amended by Law No 3 of 1985 concerning state finances, the National Assembly creates the following law.

Paragraph 1. The National Assembly establishes the 1988 state budget of the Hungarian People's Republic as follows:

Revenues: 673.508 billion (six-hundred-seventy-three billion and five-hundred-eight million) forints;

Expenses: 693.878 billion (six-hundred-ninety-three billion and eight-hundred-seventy-eight million) forints; and

Deficit: 20.370 billion (twenty billion and three-hundred-seventy million) forints.

The state budget balance sheet is contained in Appendix 1 of this law.

##### Revenues in Detail

Paragraph 2. Payments by enterprise business organizations amount to 225.7 billion forints, or 33.5 percent of all revenues.

Paragraph 3. The amount of consumption taxes is projected as 210.7 billion forints, or 31.3 percent of all revenues. Of this amount value-added taxes represent 124.5 billion forints, while consumption sales taxes amount to 86.2 billion forints.

Paragraph 4. Individual tax and dues payments amount to 18.89 billion forints, or 2.8 percent of all revenues. Of this 15.247 billion forints represent entrepreneurial and other tax revenues, while 3.643 billion forints represent payments of dues.

Paragraph 5. Social security contributions paid by enterprise business organizations, by organizations which receive funding through the state budget, and by the population; and further, pension contributions by the population and other revenues related to social security amount to 196.2 billion forints, or 29.1 percent of all revenues.

Paragraph 6. The National Assembly establishes the amount of payments to be made by central organs that receive funding through the state budget at 1.136 billion forints, pursuant to Appendix 2. This amount represents 0.2 percent of all revenues.

Paragraph 7. Withdrawals originating from segregated state funds amount to 152 million forints.

Paragraph 8. The amount of profit taxes and dividends after shares held by the state to be paid by financial institutions amounts to 15.0 billion forints, or 2.2 percent of all revenues.

Paragraph 9. Various revenues to be derived from international financial transactions and other sources amount to 5.73 billion forints, or 0.9 percent of all revenues.

### Expenses in Detail

Paragraph 10. Enterprise business and agricultural export subsidies amount to 74.2 billion forints, or 10.7 percent of all expenses. Of this amount agricultural export subsidies and expenses related to socialist interstate settlements amount to 43.0 billion forints.

Paragraph 11. Consumer price supports related to consumption amount to 41.7 billion forints, or 6 percent of all expenses.

Paragraph 12. An amount of 45.6 billion forints, or 6.6 percent of all expenses may be used for the payment of accumulation expenses. Of this amount 29.1 billion forints may be expended for purposes of central investments, 9.5 billion forints for purposes of the private construction of residential dwellings, and 7.0 billion forints to support the investment activities of enterprise business organizations, for central stockpiling and to supplement enterprise capital funds.

Paragraph 13. An amount of 207.74 billion forints, or 29.9 percent of all expenses may be used for social security purposes, including pensions, family supplements, sick pay, childcare and other cash assistance, childcare fees, pharmaceutical use subsidies and other medical services, and for other services.

Paragraph 14. An amount of 108.537 billion forints, or 15.6 percent of all expenses serves to support the activities of central organizations funded by the state budget. Of this amount a total of 53.961 billion forints may be utilized for defense and other armed forces purposes; this amounts to 7.8 percent of all expenses. Within the total allocation, individual budgetary allocations delineated by purpose are contained in Appendix 2 of this Law.

Paragraph 15. State support payments to councils amount to 96.106 billion forints, or 13.9 percent of all expenses. Within this amount, allocations to individual councils are contained in Appendix 3 of this Law.

Paragraph 16. An amount of 19.941 billion forints, or 2.9 percent of all expenses is allocated for purposes of segregated state funds.

Paragraph 17. An amount of 30.816 billion forints, or 4.4 percent of all expenses serves for the payment of certain international financial obligations.

Paragraph 18. An amount of 43.904 billion forints, or 6.3 percent of all expenses may be utilized to cover budgetary debt service obligations and for the payment of interest. Of this amount, 6.61 billion forints defray installment payments due on national bank credits received, and on bonds representing state indebtedness issued to cover the budgetary deficits of previous years. An amount of 23.294 billion forints may be used for the payment of interest on loans received, state indebtedness

bonds issued to cover the deficits of previous years, as well as for purposes of paying other interest expenses. An amount of 14.0 billion forints may be used to supplement interest payments on the population's residential dwelling construction credits.

Paragraph 19. An amount of 25.334 billion forints, or 3.7 percent of all expenses is projected to cover other expenses. Of this amount 3.666 billion forints are allocated for the support of social and mass organizations and of associations; the budgetary reserve amounts to 10 billion forints.

### Part 2

#### Modification Pertaining to the Councils' Revenue Sources, 1986-1990

Paragraph 20 Section (1), Paragraph 15.(A) of Law No 8 of 1985 pertaining to the 1986 state budget of the Hungarian People's Republic and to medium-range financial projections for councils for the years 1986-1990 is replaced by the following provision:

“(A) Regulated revenues:

- (a) income taxes paid by private persons;
- (b) land taxes paid by large agricultural plants and by certain enterprises;
- (c) taxes levied upon the population, as established by councils, and further, cash dues and fees collected by councils;
- (d) operational revenues of organizations budgeted for, and supervised by the councils.”

Section (2). Paragraph 15.(C)(e) concerning other sources (related to interestedness) is modified as follows:

“(e) revenues derived from the sale of lots;”

Section (3). Paragraph 16.(1) is replaced by the following provision:

“(1) In 1988, the share of revenues derived from income taxes paid by private persons is to be allocated to local and county councils in proportion to the number of population. Land taxes are accorded to local councils on the basis of the place of settlements. Deviations in the allocation of land taxes may be authorized by county councils only if the regulated revenues of local councils exceed the justified expenses. The remaining regulated and other revenues constitute local and council revenues respectively, pursuant to their jurisdiction.”

Paragraph 21. In the event that annual projections for Budapest and county revenues to be derived from income taxes payable by private persons is fulfilled at a rate of less than 97 percent, the state budget supplements

such revenues up to the level of 97 percent. In the event that income taxes collected from private persons exceed the 104 percent level of the annual projection, the state budget reduces state subsidies by amounts exceeding the 104 percent level of projected income tax collections.

### Part 3

#### Miscellaneous and Closing Provisions

Paragraph 22, Section (1). With the exception of regroupings of projections authorized by the state budget, the state subsidy projections contained in Paragraphs 14 and 15 can be changed only with the approval of the National Assembly.

Section (2). The National Assembly shall be informed in advance, in the event that the Council of Ministers wishes to increase any one [or more] of the subsidies projected in Paragraphs 10-14 and 16-19 of the state budget as those pertain to the following: 7.5 billion forints for coal mining, 5 billion forints for the iron foundry industry, 25.5 billion forints for meat production and sales, 4.5 billion forints for the Hungarian State Railroads, 1.5 billion forints for the [Bankruptcy] Reorganization Fund, and 1.2 billion forints for the Employment Fund.

Section (3)(a). The budgetary reserves specified in Paragraph 19 may not be utilized during the first half of 1988. Only the National Assembly can render a decision concerning the utilization of these funds during the second half of 1988, taking into consideration the evolution of domestic savings and the necessity of abiding by the planned level of deficit in the balance of current international payments subject to non-ruble settlement.

Section (3)(b). The Council of Ministers must seek the approval of the National Assembly even if the utilization of reserves reaches a 5 billion forint level not as the result of a separate decision, but can be traced to the automatic anticipated effects of the indirect regulation of enterprise management, or to a change in the number and composition of those who receive social cash-subsidies.

Section (4). The projections contained in Paragraphs 2, 3, 8, 10, 11 and 13, while also taking into consideration the provisions of Sections (2) and (3)(b), may be changed pursuant to Paragraph 17.(2)(a) of Law No 2 of 1979 pertaining to state finances.

Paragraph 23, Section (1). The National Assembly authorizes the Council of Ministers to:

Section (1)(a) incur long-term credit in the amount of 10.4 billion forints from the Hungarian National Bank to cover the deficit described in Paragraph 1., and to issue short-term deficiency bills, as such bills are regulated by Decree No 23 of 1987 having the force of law, to cover the remaining deficit and to improve the budgetary cash-flow during the year;

Section (1)(b) incur short-term credit in 1988 if necessary, up to the credit limit specified in Subsection (a).

Section (2). The amount in which deficiency bills are issued must not exceed 15 billion forints, and outstanding deficiency bills cannot exceed the 10 billion forint level by year's end.

Paragraph 24. This Law is effective on the date it is promulgated. The Council of Ministers shall provide for the implementation of this Law through the Minister of Finance.

[Signed:] Karoly Nemeth, President, Presidential Council of the Hungarian People's Republic

[Signed:] Imre Katona, Secretary, Presidential Council of the Hungarian People's Republic

12995

### POLAND

#### Decree on Merging Economic Units, Appealing Objections to Merger

26000205 Warsaw *DZIENNIK USTAW in Polish*  
No 41, 30 Dec 87, pp 572-573

[Executive Order No 242 of the Council of Ministers dated 23 December 1987 on conditions and procedures governing the filing of declarations of intent to merge economic entities and rules of appellate proceeding in instances where antitrust agencies file demurrers]

[Text] Pursuant to article 19, point 2 of the law dated 28 January 1987 on counteracting monopoly practices in the national economy (*DZIENNIK USTAW* No 3, item 18), the following is decreed:

Article 1. Organs authorized to initiate proceedings with the intent to merge economic entities, henceforth referred to as "merger," must jointly declare their intent to merge in writing to the minister of finance.

Article 2.1. A declaration of intent to merge should include data on the entities involved and the grounds for such intent, specifically:

1) full and abbreviated names of the entities, venue of their offices and the line of business, names of the founding agencies which supervise them or to which they report, names of association or unions to which the entities belong;

2) statistical numbers of the entities;

3) data on:

a) current workforce,

b) value of fixed assets,

c) balance sheets of individual units over the last 3 years, broken down by individual years,

d) estimated share, over the last 3 years, of basic products or product lines turned out by individual entities in the market turnover of such products and, if need be, in exports, broken down by individual years and calculated in prices used,

e) envisaged scope of operations, line of business and share of the entity resulting from the merger in market turnover in a given field;

4) a justification outlining:

a) the purpose of the merger and expected impact of the merger on the degree of competition or monopolization of the market from the standpoint of production or sales effected by the merging entities, as well as the identification of the main competitors not taking part in the merger,

b) expected, quantifiable economic benefits of the merger,

c) other data justifying the merger.

2. In instances where the declaration does not comply with the requirements outlined in paragraph 1, the minister of finance requests that the missing data be supplied, noting that the failure to do so within 30 days of receiving the notification is equated with the failure to declare intent. The minister of finance may determine that the lack of some data in the declaration does not influence the evaluation of the intent to merge certain entities and waive the request for additions to such data.

Article 3.1. The minister of finance, upon reviewing a declaration of intent to merge entities, within 2 months of the day the declaration is received:

1) informs the declarants that there are no objections concerning their intent, or

2) files a demurrer to the intended merger with justification.

2. In instances referred to in article 2, paragraph 2, the deadline for filing a demurrer is based on the day additions to the declaration are received.

Article 4.1. In the event a demurrer to the merger of entities referred to in the declaration is filed, those declaring their intent to merge may, within 14 days of receiving the demurrer, petition the minister of finance to reconsider the case; provisions of the Code of Administrative Proceedings on appealing decisions apply to this petition as relevant.

2. As a result of reconsidering the petition referred to in paragraph 1, the minister of finance makes a decision upon consulting the Council for Counteracting Monopoly Practices.

Article 5. This executive order takes effect on the day of publication.

Chairman of the Council of Ministers: Z. Messner

9761

**Polonia Firm Director Calls for Updated Economic Regulations, Own Bank Services**  
*26000211c Warsaw ZYCIE WARSZAWY in Polish 15 Feb 88 pp 1, 3*

[Interview with Stefan Lewandowski, owner, "Haste" and "Woodland" firms, by Zbigniew Chylinski]

[Text] [Question] You are one of the pioneers of Polonia businesses in Poland...

[Answer] When I was building an outdoor furniture factory in Siemienice in Oborniki Slaskie gmina in 1978, I believe I was the seventh Pole from abroad who was making an investment in Poland. Today my firm "Haste" also has another factory in Rszew near Lodz. Our annual sales are 1.5 billion zlotys, we employ 450 people, our export to the second payments area totals \$600,000 to \$1 million, and to the first payments area, 50,000 rubles. I also own the firm "Woodland" in West Berlin, which also manufactures furniture and wood products. We have our own warehouses, a display salesroom in Celle near Hanover, and extensive contacts in the FRG and other Western Countries.

[Question] Can you give us some personal data...

[Answer] I am 45 years old, am a Swedish citizen since 1966. My wife, Hanna, was an actress in the Warsaw Variety Theater and we have two daughters: Marta, 11, and Zuzanna, 9. Those are the best results of my investment in Poland. Whenever I am asked why I made my investments in Poland, I reply oddly but truthfully: because I married a Pole who did not want to live abroad.

That was the beginning. Everything else was the consequence, although, of course, it is very important. I am a member of the "Pomoc Szkole" [Help the Schools] Foundation Founders' Council, the "Interpolcom" Polish-Polonia Chamber of Commerce Council, and since last November I am the president of the Club for Industrialists and Businessmen of Polish Descent in the "Polonia" Society.

[Question] And aside from your family, everything else is your hobby?

[Answer] In a certain sense. When I established my enterprise in Poland I was guided by ambition. I wanted it to be known throughout Europe and I did not want to be ashamed of my products. Anyway, many of us, in investing in Poland, were guided not only by a desire to make a profit, but also by ambition. This involved learning, the importation of new methods and technologies, and the expansion of contacts here and abroad. That is what drove us.

[Question] You seem to be talking in the past tense.

[Answer] That is a matter of being tired of the bad atmosphere which was created at one time around Polonia firms. And also various unexpected difficulties. Since 1983, in changing the 1982 law, an 80 percent income tax has been imposed upon us. It was reduced 5 percent recently, but it is still 10 points higher than in the state sector. This in itself is a terrible burden, but when combined with high inflation it makes it impossible for an enterprise to regenerate its capital and to allocate profits for further investment. And when investment stops, that is the beginning of the end—slow death.

[Question] Yes, but during the first 3 years the enterprise is completely exempt from taxes.

[Answer] Please, sir, I will reply by asking a question: What serious, respectable businessman would invest money for 3 years in an enterprise in order to begin to restrict its development in the fourth year, and then liquidate it? Certainly there are people who say to themselves: We will take advantage of the economic situation, work hard for 3 years, then liquidate or open up a new enterprise—transferring the assets to it, naturally in another voivodship. Let us make things very clear. It is the regulations which have made it possible for such people to operate profitably in Poland. However, the situation in the “old” firms is really becoming tragic. Some of them have closed completely and most have stopped expanding.

[Question] Your friend Stanislaw Szewczyk from Canada (Top Mart Co.) remarked that Polonia firms, such as they are, do not require large amounts of investment. They manufacture or process cosmetics, fruit-and-vegetable products, clothing, even wood products and electronics, or they set up “briefcase companies.” These are not factories which are equipped with the latest technologies.

[Answer] This, too, is a matter of profitability and it is the fault of regulations. In addition to the “barrier” income tax, we are now required to sell back to the state 50 percent of the foreign exchange earned from export. The ability to transfer profits abroad, in foreign exchange, is restricted to 10 percent of the invested capital and 50 percent of the excess of the value of gross export over import. Under these conditions, in 1986 every invested dollar brought the investor 2.37 cents—and even less in previous years. Those are the reasons

why my friends are not investing in highly developed technology. To say nothing of the fact that their ability to coproduce and sell abroad is also reduced.

[Question] And are they able to coproduce in Poland?

[Answer] No, which is foolish, because the most rapid results in making use of the nonproductive capacity of state industries with the help of foreign capital can be achieved through coproduction.

[Question] You paint a very dark picture of things, yet you are not giving up.

[Answer] Because the changes that are taking place in the political and economic areas are, in my opinion, going in a direction where it will be possible to solve problems to the benefit of both sides. I believe that the situation is forcing the economic decisionmakers to take a serious look at cooperation with foreign capital—even if only 1 or 2 percent of the national income were to come from this. I believe that we are close to an understanding on this. First, because we now have the arguments, second because we are able to present our reasons, and third, because they are being taken into consideration.

[Question] Where, for example?

[Answer] As you know, a battle is going on to have one law governing connections with foreign capital. Up to now, two laws divide it into good or bad. The first, dated July 1982, with subsequent amendments, puts the Polonia firms in a worse situation than the so-called joint venture companies which are to be established—to which the second law, dated April 1986 applies. I say “are to be established” because thus far only a few have been established. This is because for them, too, the conditions, compared with other countries, e.g., the USSR and China, are not very attractive. We are advocating on every possible forum that these conditions be made more attractive—that our foreign partners be given equal rights, at least in access to raw materials, with benefits to both sides guaranteed over the long term, and above all, for laws which are friendly both in letter and spirit.

Last December the executive board of our club visited vice marshal Rakowski in the Sejm. He said that it would be advisable to present a broad position in this matter to the Sejm's Socioeconomic Council. Earlier, at a club meeting with president Tadeusz W. Mlynczak and deputy premier Zdzislaw Sadowski, we came to the joint conclusion that Polonia's initiative and capital could and should play a larger role than heretofore in the Polish economy which is undergoing reform—a more participatory and complementary role. During the January meeting of the “Polonia” Society Economic Committee, which was chaired by vice marshal Rakowski and

to which we had again been invited, the public draft of one law prepared under the sponsorship of "Polonia" Society and which also included our opinions, was approved.

[Question] The Council of Ministers Committee for the Implementation of Economic Reform is already opting for one law.

[Answer] We are happy for that. It encourages us and gives us hope, because we believe that there are enormous opportunities for new foreign capital. We realized this during the free exchange of our ideas in our club. And not only are our friends who are already operating in Poland participating in the search for new ideas, but also those who are coming to Poland to visit, and who are taking the occasion to look around for business. In these informal talks we are coming to the conclusion that in addition to the further development of direct investments, i.e., the establishing of new firms and their participation in companies with domestic partners, the broad cooperation of Polonia firms operating abroad with Polish foreign trade would be possible. These enterprises, of which there are over 50,000 in the world, and the foreign enterprises also, in which a Pole or Poles have an important and deciding function, could, in coproduction with domestic industry, stimulate the development of export production.

The time has come to establish a Polonia bank—other nations have such banks throughout the world—which would accumulate small deposits and use this capital for investment in Poland or for the redemption of Polish debts. Great opportunities are opening up in connection with the free-trade zone being established in Szczecin. And leasing would be something completely new.

[Question] Are you talking about the sale of machinery to Poland on credit on a deferred-payment basis?

[Answer] No. In Poland the word "leasing" has not been translated correctly. We are talking about ordinary leasing of machines, brought in for a specific period to complete the requirements of a specific contract. Used throughout the world, it is an excellent way of avoiding the sinking of capital into machines which become obsolete in a very short time. It is attractive also for the owner of the machines, because they do not pay a sales tax and collect the lease-charges.

We have other proposals also. Ultimately it would be worthwhile to establish a mail-order house for Polonia, and to begin to construct housing for Poles returning from abroad, as well as for emigrant-retirees who can afford to spend their final years in Poland.

[Question] Interesting. What, therefore, in addition to the realization of its ideas and desires can we wish the club?

[Answer] A prompt opening of its own headquarters, for which the "Polonia" Society has given the basement of its house in the outskirts of Krakow. The plans for the large and small rooms for all of our meetings, including the social ones after 10 pm, are already on our architects' drawing-boards.

[Interviewer] Goodbye, then, until the opening of the club.

9295

### **Enterprise Decentralization Process Surveyed, Local Needs Stressed**

*26000211b Warsaw RZECZPOSPOLITA in Polish  
16 Feb 88 pp 1, 7*

[Text] The Council of Ministers resolution on transferring enterprises with a specific type of production to the people's councils to be their parent organs is intended to have a much wider purpose than transferring taxes from the central budget to the voivodship budgets.

The object is to bring action more in conformance with local needs and utilize manufacturing capacity more efficiently. Following are our correspondents reports on this first step in decentralization.

#### **Lublin**

The Lublin voivode has now assumed control over the Voivodship Domestic Trade Enterprise (WPHW). This is an energetic enterprise, operating at a profit, investing in various new buildings. In short, the taxes which flow into the voivodship treasury from this firm will certainly be an important financial help.

The Lublin deputy voivode, Bonawentura Zieba, who gave us information on this subject, said that from the beginning, closer than heretofore relationships were established with the accepted enterprises, encouraging their activities from the standpoint of social needs. In reference to WPHW, already earlier a number of measures were taken which relate to an improvement in the work ethics of the sales centers and improvement in customer service.

For example, beginning in January, all shops in the Lublin commercial stretch along Krakow Suburbs St are open—although with reduced hours—every free Saturday. In nearby Swidnik an entire sales network works on Saturdays, just as in Lubartow. There are plans to connect trade with local industry in the near future in order to obtain essential products. Very simply, WPHW will supply the necessary raw materials (e.g., cloth or knit yardage) and obtain garments and knit products. They will be able to obtain raw materials thanks to broadly developed (by the Lublin WPHW) foreign trade which does not involve foreign-currency exchange.

Talks are underway with the minister of the domestic market on the acceptance by the voivode of the Budro Construction-Repair Enterprise. If this comes about, the potential of this enterprise could be enhanced by the WPHW, which has its own well-equipped construction department. Joint capital and the combined employment force will enable the formation of a first-rate construction-repair firm. Of course, the workers self-managements of both enterprises must agree to such a concept.

### Krakow

The mayor, as the parent organ, now takes over 19 enterprises in light industry (ready-to-wear clothing and haberdashery), production of construction materials and household items, enterprises connected with agricultural services, municipal management enterprises, and three multi-sector specializing trade organizations, ARPIS, DOMAR and OTEX.

This subordination will bring new opportunities for action by both the people's council and those involved, making it possible to better meet social needs and obtain additional income for the council itself. The Skawina PREFABET will specialize in the production of construction materials for Krakow housing construction, thanks to which it will be possible even this year to exceed this year's housing construction plan by an additional 300, or even 500, apartments.

In any case, there are many more opportunities for independent and open action. ARPIS and DOMAR are already able to begin trade negotiations as part of the pre-border cooperation and it is possible that as early as this year they will obtain a license to independently, or through an international trading company, organize foreign commodity exchange.

### Plock

In Plock, reports deputy voivode Antoni Bielak, the central authorities have turned over four enterprises to us as the parent organ: the Voivodship Domestic Trade Enterprise, the Plock River Shipyard, the Plock Fruit-and-Vegetable Processing Enterprise, and the BUDOPOL Construction Units Building Enterprise in Gostynin.

The changes are intended to more closely connect these enterprises with the local area. But the most important issue is that of settling the question of the share of these enterprises in the incomes of the people's councils. It is important to make such changes as will permit the local enterprises to contribute more to the budgets of the people's councils. An announcement of changes in the tax law and in the law on the system of people's councils and territorial self-management is intended also to more closely connect the people's councils and their organs with the industrial organizations.

### Kalisz

The deputy voivode of Kalisz, Mieczyslaw Wozniak, reported to us that at the present stage of decentralization the Kalisz voivode becomes the parent organ for seven enterprises. Izolacja in Jarocin is a producer of tarpaper, which is a very important material for our construction and especially for repairs. In the past, tarpaper has been received through central distribution and now it will be possible to receive it directly from the enterprise.

The Polifarb Paint and Lacquer Factories in Kalisz export almost 100 percent of their products. The voivode has tried to obtain WPHW for a long time and now the possibility of controlling the domestic market in the voivodship will be greater. After all, in accordance with the law, it is the local authorities who are responsible for matters of trade in their area.

The assumption by the voivodship of the clothing factories: KALPO in Kalisz and JARKON in Jarocin, will certainly make it easier to obtain clothing textiles on the local market. Kaliszanka produces pastries while Pollena from Ostrzeszow specializes in chemical products. The organizational connection of these enterprises with the local area will also make more goods available on the domestic market.

9295

### Foreign Small-Scale Manufacturing Firms Note Higher Productivity

26000211a Warsaw *RZECZPOSPOLITA* in Polish  
15 Feb 88 p 3

[Text] Ten years ago there were 18 of them, now there are about 700. Foreign enterprises became part of our economic landscape and our economic consciousness in the 1980s. The 6 July 1982 law which defined the rules for the conduct of economic activity by foreign legal and physical persons was extremely important in the expansion of foreign enterprises. It contained regulations which at that time favored such activity. It bore fruit immediately: in 1981, 181 firms were formed, and during the following year 232 "Polonia" firms (as the foreign small-scale manufacturing companies came to be popularly called), were established.

During the first 6 months of last year, 677 of the existing 700 foreign firms were engaged in economic activity—18 less than during the same period in 1986. Also during this period, 10 of them began their operations and 28 of them completed them. This tendency held in 1987 and is already apparent this year.

Most of the firms—over 180 of them—were established and continue to operate in Warsaw Voivodship. Poznan Voivodship follows with 56 firms. Many of them—from

20 to 30—are in the following voivodships: Siedlce, Ciechanow, Gdansk, Katowice, Krakow, Lodz and Skierniewice. Only Konin Voivodship has no foreign firms at all.

Their owners stem mostly from Polonia, representing 43 countries. They invested their capital because they wanted to earn money. In trying to make a profit, they turned to simple production which would bring large profits quickly. In many cases a kind of “foreign crafts” arose, similar to the native level of production and technology.

Bringing foreign enterprises into Poland made it possible to “experience” (on a laboratory scale) how one should or should not deal with foreign capital, regardless of whether it operates independently or otherwise, underscoring the need for commercial coproduction with other countries in the world conducted under competitive conditions. Namely, the foreign capital which has been attracted requires that mechanisms be formed to guide it so that it will be directed according to the needs of the economy, i.e., for the transfer of the latest technology, more export, and those fields closest to it which we ourselves will not be capable of handling in the next few years. For example, the problem of utilizing and managing Warsaw’s rubbish, which, contrary to what it may seem, requires considerable capital.

At present, approximately 200 foreign enterprises operate in the garment sector; almost 150 are in chemical production, mainly cosmetics; 90 offer construction services; and 70 have established themselves in the manufacture of furniture. In recent months they have been producing somewhat less for the marketplace, but participate more in selling goods and services to increase the availability of producer goods on the marketplace.

Most of the firms are small, employing up to 50 (314 firms) and 100 (154) persons. Only four have workforces exceeding 500. The largest, Comindex, has 813 employees, Carpatia has 754, and USP International has 699. Both those mentioned as well as Alpha and Inter-Fragrances have shops and branches throughout the country. Of the 21 enterprises which have sales exceeding 1 billion zlotys, five have exceeded 2 billion, Comindex over 3 billion, and Inter-Fragrances over 2-1/2 billion. In all of them, the growth of employment (within the required limits) is small and pertains only mainly to the Lublin, Opole and Ciechanow voivodships.

The share of export production remains at a steady, but not high, level. In relation to the value of sales, it does not exceed 6 percent. Among the socialist countries, the most important customers are the USSR (7.5 percent of all export goes there) and the FRG (80 percent of export to foreign-exchange markets). Approximately 400 firms export, but only 30 of them have foreign-exchange licenses and they export the most. Mainly medical apparatus and products from the chemical and machinery

industries are exported to the socialist countries, while the capitalist countries receive primarily knitted garments and farm-food and wood products.

Over 30 foreign enterprises have established all kinds of small- and medium-sized businesses dealing with unfinished products in industry and agriculture, making it then possible to utilize domestic raw materials and semifinished products in completing the finished goods. The firms encourage innovation. In 1986 alone, 34 patents and licenses (6 foreign, 12 domestic, and 16 proprietary) were applied in foreign enterprises.

That is how Hydrochem used four patents developed in the Koszalin Polytechnic and the Agricultural Academy in Wroclaw in the field of anticorrosion protection of water supply systems; Sofal made use of a domestic patent for the production of concrete using magnetically treated water, thus reducing cement consumption by 25 percent. Cormay enterprise, based on an applications contract with the Medical Academy in Gdansk, developed a unique heart and liver diagnostic kit and is its sole producer.

The formation and expansion of foreign enterprises has not yet ended. There is an awareness that regulations must be made more flexible and more permanent and there is a provision on this subject in the implementation program for the second stage of economic reform. The subject has been taken up by the Council of Ministers Committee on Foreign Economic Cooperation, which is looking into all of the programs connected with the functioning of small-scale manufacturing enterprises at the request of the government’s representative. The problem has also been taken up by the Commission for Reform and Economic Policy and the PRON Commission on International and Polonia Affairs.

9295

## ZYCIE GOSPODARCZE ‘Briefs’ Column

### Last Week in Poland

26000195c Warsaw ZYCIE GOSPODARCZE in Polish No 6, 7 Feb 88 p 2

[Excerpts] **Reform Seen as Primary Issue**—The Advisory Council acknowledged that there is no issue more important today than profound reform of the national economy. Also raised was the issue of expanded access to management positions by non-party members. These issues require visible and verifiable decisions and changes in practices at all levels of economic and state administration. A continuing “changing of the guard” is crucial in the whole of personnel policy. This should counteract the desertion of Poland by young, capable, educated people who seek fulfillment of their professional and material aspirations abroad.



**Science Committee To Issue Report**—A report is to be released, under the auspices of the Committee on Science and Technological Progress, on opportunities for satisfying current needs of the country through science. Also adopted were guidelines for further reorganization; this time organizational structures in science are to be reorganized.

**Fund Construction Reported**—Nearly 70 billion zloty has been received by the National Health Protection Fund over the past 15 years. Through the end of last year 1,637 buildings were constructed from contributions to the fund: 22 hospitals with 7,794 beds, 54 annexes for 4,416 patients, 106 other hospital buildings with 2,041 beds, 231 clinics with 2,315 consulting rooms, 705 health centers with 2,855 consulting rooms and apartments for employees, 138 nurseries for 8,538 children, 121 public assistance centers where 5,105 sick and infirm found care and 206 other buildings crucial to medical care.

Five billion zloty was spent on the medical care system. In addition, the fund gave 1 billion zloty for the construction of the Polish Mothers' Health Center.

**Livestock Statistics Reported**—At the end of 1987 there were 19.3 million head of hogs, 1.4 percent less than at the same time a year ago. In 1987 the number of cattle decreased by 3.1 percent and currently stands at about 10.2 million head. About 4.8 million cows are being raised on socialized and individual farms.

**Management Model Affirmed**—Experience confirms the preservation of the model of enterprise management based on strengthening of the director's position and consolidation of self-management powers, which arise from its utilization of instruments of statutory authority, said the Sejm Committee on Self-Management Affairs.

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