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# JPRS Report

# East Europe

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# HUNGARY

## Stalin Blamed for Halting 1945-48 Danube Federation Plans

*25000005 Budapest HISTORIA in Hungarian No 3, 1987 pp 20-23*

[Article by Gyorgy Gyarmati: "Hungary and Danube Federation Plans, 1945-1948"]

[Text] From its beginnings, *Historia's* purpose was to discuss the Hungarian nation's place in Europe, to abandon our nationalistic preconceptions, and to counter the anti-Hungarian trends in the region. In the course of this endeavor *Historia* did its best to pinpoint historical lessons: notably the fact that the system of small nations that evolved in the region after 1920 resolved neither the minority nor the economic issues. From the outset, *Historia* provided a critical judgment of both the idea of territorial revision, and of de-nationalization from this vantage point. As of lately *Historia* called attention to the fact that the 1948 suppression of confederacy ideas that emerged in 1945 (which cast in concrete the framework of the existing small nation-states) was fundamentally a part of the international cold-war atmosphere and of personal cult policies that grew out of bounds in our region. *Historia* also pointed out that a regional confederacy was not the only solution to these problems. (*Historia*, No 1, 1987 p 31.) Our editorial board requested Gyorgy Gyarmati to research in detail what the press reported on the subject in those days, and to highlight the progress of negotiations.

### The End of World War II

The ideal of integrating the small nations in the Danuabe region has failed more than once in the past. In and of itself a confederation of states in the Danube region could not be viewed as a fundamentally new idea in 1945, except for the fact that during the period 1945-1948 the endeavor became an integral part of governmental policies. The idea was embraced by some of the active statesmen of that age, including Josip Broz Tito, Petru Groza and Georgi Dimitrov. But their support may by viewed as symbolic in the sense that it represented a peace-making attempt between the victors and the defeated.

Interstate cooperative initiatives containing integrationist endeavors in the region had their beginnings at different points in time, in different forms, and not without difficulties. Yugoslavia was deeply involved in its struggle for liberation, when in the spring of 1944 it floated the idea of a Balkan confederation with Bulgaria and Albania. In late 1944 and early 1945 Bulgaria and Yugoslavia conducted negotiations concerning this idea. They agreed in principle that a confederation of the two states would be desirable, and that the two states would take preparatory steps. But since Bulgaria was counted among the 'losers' in 1945, and since the international relations of losers were supervised by the Allied Control Commission [ACC], composed of the great powers, Bulgaria was unable to become a sovereign partner in a confederation beginning in 1945. Thus the negotiations with Yugoslavia produced 'only' a mutual aid agreement. Even though upon the advice of the Soviet Union, the agreement did not contain references to a confederation, Great Britain happened to oppose the agreement anyway. Great Britain carefully watched any development that might have affected her influence in the Balkan region. Thus it appeared as unacceptable that as a result of post-war reorganization the "excessively" left-wing Bulgaria would establish close relationships with the most characteristically left-wing Yugoslavia led by Tito, let alone a confederation of the two states.

Quite naturally, the interests of the great powers also bore influence on the restoration of relations between Hungary and Romania. In this case both parties were viewed as 'losers'. In spite of this, however, it appeared that the great powers would view more favorably some regional cooperative endeavors which from the outset contained integrationist elements, than they would view the endeavor between Bulgaria and Yugoslavia. In mid-March 1945, a little more than two weeks after Petru Groza was named prime minister of Romania, the Hungarian Provisional National Government dispatched an emissary to Bucharest for purposes of enhancing the restoration of official relationships between the two countries. According to an internal report prepared for use by the Hungarian foreign minister, "Groza's plans go far beyond these initial steps. He envisions a unified bloc between the River Lajta and the Black Sea, with a confederation of Hungary and Romania serving as its core. Within that bloc there would be a customs union and its members would fully cooperate in political matters." Concerning the ACC, the report quotes Groza as saying that "He already discussed this matter with Soviet Commissar for Foreign Affairs Vishinskij, as well as with Soviet General Susejkov, and that both would welcome the commencement of direct negotiations." Throughout the year, Groza repeatedly reiterated his foreign policy endevours in public speeches. In the autumn, a Hungarian newspaper reported on an interview with Groza, in which he had this to say: "on my latest trip to Moscow I reported on all this in detail to Generalissimo Stalin, and he shares my views regarding the entire Hungarian complex. In addition, Tito also wants to follow the same path, and perhaps I deserve credit for bringing about as friendly feelings on part of Yugoslavia toward Hungary, as Romania has."

Although initiatives beyond the Hungarian border are reflected in the Hungarian press from the beginning, responsible Hungarian political positions were publicized only beginning in the autumn of 1945. At its September 5, 1945 opening session of the Provisional National Assembly, the provisional government reported on its activities since its formation in December 1944. Reacting to the foreign policy segment of the report the National Assembly resolved that telegraphic greetings be sent to "Marshall Tito who extended a

friendly hand to provide loving protection to the Hungarian nationalities in Yugoslavia, and...to Petru Groza who in the history of Hungarian-Romanian relations is first to have launched a significant pioneering endeavor which holds great promise for friendship between the two nations." A few days later, at the ACC's request, the Hungarian government prepared an advance memorandum for the negotiations with the great powers at the Paris peace conference. In it the Hungarian Foreign Ministry stated that "the first and foremost condition upon which the well-being of the small nations in the Danube region hinges is economic cooperation among those small nations. This must be brought about in the course of European reorganization.... The Austro-Hungarian Monarchy has become an obsolete state, on the other hand it is apparent that the Monarchy was capable of assuring the well-being of its citizens, with its borders stretching from Passau to Pola and to Predeal. The Monarchy was able to do so far better than the several individual new nations which emerged in its place. The reason for this is that the new nations were motivated by a sense of exaggerated chauvinism, they endeavored to create unhealthy autarchies and pursued economic policies that disadvantaged their respective citizens.... Accordingly, the peace treaty should provide for an institution that responds to the needs of the small nations in the Danube region. This situation can be characterized by mutually compensating natural resources, which, in turn, suggest economic interdependence. Under such conditions the small nations should not pursue independent economic policies, instead they should endeavor to reach economic cooperation. Close economic cooperation would also significantly reduce political strains and conflicts, while at the same time would benefit the international economy. This benefit would materialize as a result of the fact that the economic development of the Danube region would significantly enhance the area as a consumer market."

Ten days after this statement was conveyed, on September 23, 1945 the Hungarian Communist Party [MKP] set forth its platform for the upcoming elections: "the most important Hungarian foreign policy goal is the assurance of peaceful coexistence and mutual understanding with every nation in the Danube region, and the enhancement of the evolution of Kossuth's ideal, a Danube confederation. The opportunity for a confederation of states would be enhanced by the creation of a customs union between Romania, Yugoslavia and Hungary, over and above the endeavors to maximize the intensity of Hungarian foreign trade." In the absence of resource materials, we may assume that the Yugoslavian-Bulgarian endeavors, Groza's initial steps, as well as the announcement of the above cited Hungarian program could have taken place only with ACC approval, since at that point Hungary, Bulgaria and Romania were not sovereign states.

## The Wait-and-See Attitude of the 1946 Plans

Beginning in early 1946 official public political statements were more restrained. A heavy emphasis on building close, friendly ties with Hungary's neighbors continued, except for two key issues: a customs union and a confederation were no longer mentioned. The explanation for the restrained tone of voice may be that in 1946, negotiations preparatory to the Paris peace treaty were the centerpiece of Hungarian foreign policy, and plans for a confederation may have faded as a result of the fate of Hungarian minorities in the neighboring countries. The situation appeared as hopeless particularly with respect to ending the institutional persecution of the Hungarian minority in Czechoslovakia. Equally, the possibility of drawing final borders between the various states was not promising. In addition to confidential internal documents, the documentation pertaining to the Paris peace treaty includes a number of studies that analyze the conditions under which a Hungarian-Romanian, Hungarian-Yugoslavian, and even a Hungarian-Austrian economic union could be established.

The dual manner in which this issue was handled can also be traced by viewing public documents. In 1946 coalition parties shared the responsibility of governance. In their coverage of foreign policy issues, their respective newspapers emphatically dealt with the then current problems of population exchanges and deportations. Conceptions pertaining to international integration were publicized in papers somewhat removed from the 'official' circles (e.g. UJ MAGYARORSZAG, KOZTARSAGAG, and, with respect to economic integration: KOZGAZDASAG.) Among these KOZTARSASAG, proclaiming itself as the news medium for the Danube Work Community, viewed its primary task in popularizing the ideal of a confederation. "Kossuth, the Visionary" was the title of an initial programmatic speech written by the repatriated Mihaly Karolyi. He placed the federation concept into the contemporary European context: "the pre-condition for a confederation is that it must not be aimed against Soviet Russia. To the contrary: we must enjoy the confidence of our powerful neighbor. As a bloc of nations with 50-80 million inhabitants we could present ourselves as serious negotiating partners only if the confederation became a link between the East and the West."

By late June KOZTARSASAG urged the establishment of a "Danube Ministry," whose task would be to "pave the road toward a customs union...in the spirit of the confederation now on the drawing board." This article was written by editor-in-chief Gyorgy Boloni. It actually served as an indirect trial balloon for a letter Karolyi wrote a few days earlier to party leaders Matyas Rakosi and Arpad Szakasits, (at the time both served in the capacity of Ministers of State also). Karolyi was the president of the earlier Hungarian Republic. Upon his return to Hungary following 25 years in exile, the political leadership of the late 1940's was unable to find a public post commensurate with Karolyi's prestige. Instead, Karolyi's potential return to Hungarian public life was tied to a future institution, such as a customs union or a confederation.

In the upcoming weeks an abundance of articles appeared in KOETARSASAG under the heading "Danube Region Federal Republic." Space limitations do not permit the presentation of details, therefore we will limit ourselves to convey the sense of the Yugoslav approach, to supplement the Hungarian and Romanian approaches already described. Yugoslavia's Pavel Rucinski categorically removed himself from the "large area" theory which served the expansionist endeavors of the great powers, nevertheless cautioned against a resumption of the grievance policies of the past. He envisioned his country's key role in implementing the hoped-for cooperation, because "in the Danube valley Yugoslavia is the only nation that is viewed as a victor. Accordingly, Yugoslavia must sit and wait until the various belligerent nations in the region ratify their respective peace treaties, which will be more lenient if the belligerent nations declare that it is in their own interest to collaborate and to cooperate as closely as possible with Yugoslavia." Rucisnki provided a schedule for the future confederation: "One can perceive a solution in which the first step would be Hungary establishing a customs union with Romania, while at the same time Bulgaria would join with Yugoslavia in a federation. In the end the two federations would join into common customs and political unions. This is almost like saying that the left bank of the Danube will be joined with the right bank."

The decisions reached at the 1946 Paris peace conference produced temporary political depression and disappointment in Hungary. This feeling also had an effect on ideas pertaining to a future confederation.

And yet, a reckoning with realities took place. At the fall 1946 MKP congress Rakosi stated that "we not only find it possible to establish a democratic Danube confederation, we find it desirable." Nevertheless the two countries that were not restricted in their actions by lack of sovereignty—Yugoslavia and Albania—took the first steps toward integration. Hungary and Romania both lacked sovereignty, therefore the a customs union and a planned confederation involving the two countries could be viewed only as a distant goal, to be realized after the signing of peace treaties. The November 1946 agreement between Yugoslavia and Albania provides for a coordination in currencies, joint enterprises, production plan coordination and a customs union.

## The Modified Course of the 1947 Plans

Upon signing the peace treaties in early 1947 (Footnote) (Compare with articles by Sandor Balogh: "the 'Hungarian Issue' Before the Paris Peace Conference, 1946," *Historia* Nos 5 and 6, 1986, and by Istvan Vida: "The Territorial Issues of the Hungarian Peace Treaty" *Historia* No 1, 1987) Hungarian, Romanian and Bulgarian diplomatic activities favorably disposed to the evolution of federation concepts increased. Increasing tensions between the great powers and the chill of the cold war felt in the central and the South-East Region of Europe had a retarding, counter-productive effect. These negative effects can be discovered already in contradictory reactions to the May 1947 visit of Petru Groza and his Romanian government delegation in Budapest. Deviating from the mutually accepted purposes of the visit which had been announced repeatedly over a two-year period, a planned announcement of a customs union between the countries failed to take place. The front page headline of KOZTARSASAG heralded that "In the person of Petru Groza we welcome a statesman, the first Romanian to stress, and who ever since has ceaselessly continued to emphasize, the importance of a customs union between Hungary and Romania." However, the same issue of KOZTARSASAG contained a news analysis which emphasized the mounting problems in the path of realizing a customs union. The following sentence summarizes the analysis: "we must not expect early results, instead we should and must choose the road of gradual progress." A week later, the next issue of KOZTARSASAG provided yet another analysis: "what we have said in the context of Hungary and Romania, also applies in the context of Hungary and Yugoslavia." Communist economist Gyorgy Markos wrote that "a customs union represents too much today, and too little tomorrow." At the same time, in May 1947 Arpad Szakasits issued a statement at the conclusion of a several day long conference of central European social democratic parties. The conference was held in Budapest. "The time has not yet come for a Hungarian-Romanian customs union. Discussing this matter too early may do more harm to this concept than help it." In other words: in terms of a goal, integration was not considered as a moot issue. The perception changed with respect to timing only.

In sharp contrast to the above, the contents and tone of an article by Vasile Luca, published in Romania appears as dissonant. At the time the article appeared Luca was one of the Romanian Communist Party secretaries, and held the post of Minister of the Treasury in Groza's cabinet. Luca traced the on-going endeavors for integration by small nations in the Danube region to similar plans urged by Churchill, and thus viewed the then current activities as the continuation of imperialistic endeavors. Luca's statement attracted attention if for no other reason because it discredited the endeavors of his own prime minister, bourgeois democrat Petru Groza, who had just returned from his negotiations in Hungary.

Just how out of place Luca's views were in those days can be seen in the fact that in the coming months, during the summer of 1947 Bulgaria and Yugoslavia renewed their integration discussions in the Yugoslav town of Bled. This was the continuation of discussions disrupted in 1945. In November 1947 an agreement between the two countries was signed, establishing among other things a customs union. Following ratification of the agreement, speeches by Tito and Dimitrov, as well as official communiques, viewed the customs union as a minimum program that can be realized in the short term. The same

pronouncements viewed a confederation as a long-term goal. In December 1947 an agreement between Albania, Bulgaria and Yugoslavia concerning economic cooperation was ratified.

In late 1947 the idea of East European integration once again came to the forefront of Hungarian public attention. Moreover, it did so on the pages of social democratic and communist newspapers. At that point the idea of a confederation acquired a remarkable political character. In late November 1947, upon his return from negotiations in Prague, National Planning Office chairman Imre Vajda stated to a NEPSZAVA reporter that the purpose of cooperative agreements—by then expanded also to include Poland and Czechoslovakia—was "the creation of a more or less coordinated economic system between the East European people's democracies. This system was to be achieved through economic agreements." In early December, coinciding with Yugoslav negotiations in Hungary for which the guest delegation was headed by Tito, SZABAD NEP presented a lengthy programmatic article entitled "A New Great Power." In the article's conception this great new power would reach from the Baltic Sea to the Adriatic and to the Black Sea, encompassing seven new people's democracies, all of which are in the process of construction. These are: Poland, Czechoslovakia, Hungary, Yugoslavia, Bulgaria, Romania and Albania."Within two or three years following their liberation, these countries no longer have mutual rapprochement as their goal, but far more!" At the same time this plan foresaw more than mere economic cooperation. It also urged the establishment of a military and political system of alliances, invoking Czech foreign minister J. Masaryk's statement, according to which "in all likelihood, these nations will be voluntary partners in an agreement on mutual defense." A mutual commitment under a defensive umbrella was necessitated by "the American threat, which by now has evolved into an armed attack from Greece, on the Southern borders of the people's democracies.... Increasing cooperation among the people's democracies, and their strengthening united front, will first be tested by the manner in which these people's democracies perceive the threat that emanates from the direction of Greece, and by the position they take in response to that threat."

The changed political atmosphere of 1947 was also reflected in the militant tenor of statements issued by nations involved in cooperative agreements. The essence of the change was that the Groza principle of "peaceful cooperation that serves the interests of the Danube valley" had been exchanged for unity that was to be demonstrated outwardly. "There is no force which could break the unity of the people in the Danube region," according to Lajos Dinnyes' prognosis in December 1947. This was part of Dinnyes' toast following ratification of the Hungarian-Yugoslav friendship agreement. Barely six months later, based on a decision made by the Information Office of the Communist and Workers Parties, the declared unity of the people's democracies was indeed broken by the unjust condemnation of Yugoslavia.

## Epilog, 1948

The statement of late 1947 suggests that the establishment of a Pax Danubiana in the framework of a confederation had been permanently removed from the agenda, and that cooperative endeavors had fundmentally changed by assuming a political character. It was precisely for this reason that Georgi Dimitrov's press conference following signing ceremonies of a Bulgarian-Romanian agreement on 18 January 1948 attracted international attention. The attention paid to Dimitrov was even greater, because he expanded the scope of a planned confederation of states to include Greece. "The issue of a customs union," Dimitrov said, "is very complicated. It requires great preparatory work. At the same time, however, a customs union of this kind is of vital significance for the development of our countries. For this reason we consciously and courageously prepare for the establishment of customs unions with our allies, and must also see to it that such unions become a reality.... As the issue of a confederation matures—and this will take place by all means—our people and the people from the other people's democracies, Romania, Bulgaria, Yugoslavia, Albania, Czechoslovakia, Poland, Hungary and Greece—mark my words: Greece too!—will live to see this. It is these people who are to decide what is going to become of the confederation concept, and when and how it will be realized. We can confidently state that our people's activities today make the future resolution of this task significantly easier."

Instead of Dimitrov's predicted escalation in the federation movement, his statement was followed by the sudden, radical disappearance of the movement. Views differ as to the reasons. (Footnote) (Compare with article by Ferenc Glatz: "National Characteristics? Friendly (Hostile) Neighbors" *Historia* No 1, 1987.) Opinions contained in historical literature, however, generally agree that with respect to the idea of a Danube confederation, Eastern European nations took these steps in response to the final deathknell sounded by PRAVDA in a late February 1948 article which states that "the problem of these countries is not their brainchild of establishing a federation or a confederation. The problem is that their concern should be the defense and the strengthening of their independence and sovereignty through the organization and mobilization of their peoples' democratic forces."

The result of all this was the disappearance of integrationist thought from political forums in Hungary and elsewhere. In spring 1948, a publication concerning the centennial celebration of the 1848 revolution still stated that "It is appropriate for the Hungarian democracy to view itself as the heir of the 1848-1849 struggle for freedom, because Hungary's foreign policy—as evidenced by the ratification of agreements with Romania,

Yugoslavia, Bulgaria and Poland—is the first step in the direction of realizing Kossuth's dream." The program in question was defined in the publication's title: "The Federation of Nations in the Danube Region—Hungarian Foreign Policy Implements Kossuth's Ideal of a Confederation." It reverted to the meaning of the idea as it was known in 1945 and 1946, prior to the Paris peace treaty. But even this way, the article served only as the swan song for integrationist conceptions.

(Notes) (The quotes and references contained in this article have their source in the following publications. SZABAD NEP: 23 September 1945, 4 May 1947, and 7 December 1947; NEPSZAVA: 20 May 1945, 22 August 1946, 25 May 1947, 29 November 1947; KOZTARSASAG: 13 and 27 June 1946, 18 and 25 July 1946, 1, 8 and 15 August 1946; IGAZSAG (Kolozsvar): 22 May 1947; MAGYAR SZO (Ujvidek): 29 November 1947; and UJ MAGYARORSZAG: 13 December 1947.

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## POLAND

### Primate's Social Council Issues Document on Catholics' Role in Public Life

*26000019a Warsaw PRZEGLAD KATOLICKI in Polish 6 Sep 87 pp 1-2, 8*

[Text] The following analysis presents the opinion of the Primate's Social Council on the question of participation by lay Catholics in public life in Poland at the present time. The opinion has three main points of departure:

—the natural right of every citizen to joint decision making in the affairs of his own community,

—the obligation of every Catholic to influence the shape of the world around him,

—the immutability of principles dictated to the individual by Christian ethics, by conscience formed according to ethical principles.

Adoption of these statements as a foundation has permitted the formation of the premises presented below for individual, personal decisions by Catholic on the assumption, for and scale of their participation in public life.

1. The need and obligation to participate in public life

A citizen's right to decide about the affairs of his community, to participate in public life, is a person's natural right, primary and superior to other institutions. it finds clear confirmation in church teaching, and international declarations and pacts to which Poland is a signatory see this right the same way.

Polish society, the overwhelming majority of which is Catholic, several times in recent decades let it be known that it wants to take advantage of this right, that it wants to be a vital subject in public life. This found particular expression in the years 1980-81.

During his third pilgrimage to Poland in June of this year, Holy Father John Paul II recalled social contracts of that time as an expression of the growing awareness of working people as regards the entire social and moral order in Poland. The Holy Father also added a large and to some extent new dimension to the word "solidarity" espoused then. John Paul II particularly emphasized the need and necessity for society's subjectivity on 8-14 June, beginning with his speech at the Royal Castle in Warsaw. Its true acceptance is still far from realization but nevertheless, Polish Catholics cannot shut themselves off in their own privacy. They have not only a civic right but also an obligation arising out of faith to influence the shape of the community of which they are members, contributing to the emergence of reasons for life and hope. The young generation in particular is waiting for this.

2. Main principles and the Role of the Church.

Church teaching stresses the importance of public activity, seeing social service in it. In particular the constitution of Vatican Council II says of the church in the modern world: "The church sees as commendable and worthy of respect the work of those who, out of service to the people, devote their strengths to the good of the state and take on that difficult obligation."

But it must be emphasized that a Catholic's participation in public life does not become action in the name of the church. The council's constitution mentioned above requires emphatically that "what the faithful do, whether as individuals or in associations in their own name as citizens guided by the voice of Christian conscience, be clearly distinguished from what they do together with their pastors in the name of the church."

In Poland the Catholic Church has often perceived the need to take a position on matters fundamental to the existence of the nation and state, on matters of the ethics of social and political life, man's dignity and freedom and protection of his rights and living conditons. Lay Catholics can continue to expect such statements, rely on them and be guided by them. For purposes of regularity it must also be remembered that no initiative can take the name Catholic nor can any association use that name if it has not obtained the consent of church authorities.

3. Preparation for Participation in Public Life.

A Catholic should enter public life with full awareness and understanding of his Christian identity. The preparation and formation of people who undertake public activity should include a thorough understanding of the Gospel and its implications for contemporary collective

life, familiarity with Catholic social teaching and its moral instructions and development of conscience necessary to evaluate one's own actions and decisions. An important goal of this formation is awareness of the Christian view of man and society and the ability to distinguish it from opposing materialistic views. Also necessary is civic formation based on becoming familiar with as broad a range as possible of social and public affairs, learning to evaluate them according to the criteria of the common good and the dignity of human beings. Catholics should be found in a lasting way beyond the "barrier of indifference" so prevalent today.

Preparation for public life begins in the family; due to its bonding nature, it is the first place for co-existence, mutual respect and understanding for people of different ages, temperaments and often attitudes and convictions.

Every job well done and attainment of position and recognition in one's profession are also preparation for public life. For such people also enjoy greater confidence when they undertake public activity.

Catholic circles, committees and associations that afford an opportunity for increasing knowledge and exchanging opinions and experiences are an important aid to people making decisions about participation in public life. Creation and development of and membership in such associations is worthy of recommendation. But the point here is association that would not be manipulated or used as instrucments for purposes that are political or contrary to the Christian view of social life.

4. Forms and Field of Participation in Public Life.

Participation in public life can take on many forms. One of them is expressing an opinion, speaking one's mind or convictions in a given matter. This has particular significance when a person having authority and credibility expresses his opinions. A group of people assembled on the spur of the moment or operating as an association or other formal or informal community will express its opinion with increased weight. Expressing individual or collective opinions, judgment and convictions can have a major effect on the state of social consciousness as well as on the work of institutions that shape the living conditions of society.

Another form is participation in an body or group of a collective or representative nature that fulfills public functions as an entity, guided by internal argument or voting. Such participation should have as its basis the opportunity for affecting the course of events and decisions made. Here too the individual is faced with a challenge. Because he cannot be silent and acquiesce when a contradiction to the convictions of a right conscience arises. There is also joint responsibility—a member of a group or collective body is the co-creator of all its decisions in the eyes of the public. Therefore his eventual votum separatum must be audible.

Another form of public action is fulfilling functions of a managerial or decision-making nature. This is a form of public service in which relatively much depends on the individual, but his personal responsibility, shared with no one, is also the greatest. Taking on such a function and the responsibility associated with it to obtain personal benefit and gratification of ambition with the realization that one will be merely the transmitter of decisions made elsewhere regardless of one's personal agreement with them or their consistency with one's conscience, is immoral and should not have the support of Catholics.

Considerations about participation by Catholics in public life and the selection of a form of action become simpler when we distinguish certain fields of public life.

The "professional" field is action by Catholics in the realm of their position and profession, at their workplaces, institutions related to their profession, professional or employee organizations and associations. The form of participation based on expression of opinions can have a not inconsiderable place in the face of waste, nonsense and human prejudice. Participation in bodies such as employee self-management, the university senate, and various employee representative groups creates a more systematic right and obligation to express and defend one's attitude and position. There is a particular place—as in other areas of public life—to undertake efforts and measures for formation of and government permission for action by such structures, organizations or associations which, on behalf of the right vested in everyone to associate, will satisfy their needs and aspirations and serve the essential development of individuals and groups and thereby the entire state community. in the professional field, assuming fulfillment of management and decision-making functions has particular weight and signficance because direct proximity to the human being occurs here along with impact on work organization and results serving the broader public. In this sphere the presence of competent people who are guided by Christian ethics and philosophy and who do not acquiesce to patterns is necessary, even though opportunities for action often seem limited. The role of loyal individuals and communities is to remedy such situations and change things for the better.

The "social" field is action on behalf of the common good on a social basis—in charity campaigns and organizations, the sobriety movement, the ecological movement and others. It is an area where because of its nature the absence of Catholics would be especially difficult to explain. many needs and unexploited opportunities exist here and a closer connection between certain actions and initiatives and the church also come into play.

The forms of participation in the "social" area can be varied. Their essence is the active work of lay Catholics and other people of good will in geometic proportions, starting from the neighborhood and parish communities

and expanding to a nationwide scale. Formal and organizational frameworks in this are can occur in the wake of the reality of action; it is not necessary to wait for them, especially in one's immediate environment.

Finally, the "political" field is action in the sphere of national life and political organizations as well as in the sphere of state operation. It means an effect on or concern for achieving influence on decisions about public affairs in the precise meaning of the word. Action in the "political" area has the most direct impact on the whole of life and the future of the nation and state. Citizens guided by Christian philosophy cannot separate themselves or be excluded from this area. They have the right and obligation to demand that they be allowed to act not only within structures depending on governing groups but also that they be able to unite for the purpose of free speech and presentation of their opinions. The philosophical and ideological pluralism existing in society should be reflected in the pluralism of groups carrying on discussion and working in harmony for the good of society and the state.

In the institutional realm, all facets of state life must in time open up to philosophical pluralism; they cannot be reserved for citizens who commit themselves to Marxist philosophy. This surely signifies the need to reflect on matters of public life, up to and including the foundations of the contemporary state organism, about which Holy Father John Paul II spoke in Poland in June of this year. But without this, the people cannot feel like the master of their own country and will not have a feeling of participation and conviction of shared responsibility.

At present the opportunities for Catholics to exert an influence on the course of national events through institutional participation are very limited. yet responsibility in this field is all the greater and individuals must be especially concerned that they serve the interests of the people, not just a select group, in their public activity, and that they maintain loyalty to the principles arising out of Catholic ethics.

Of course there are no clearly marked boundaries between the areas of public life named above, so that their names are conventional to a great extent. The characteristics of these fields and the examples given have mainly an explanatory significance, far from completeness and precision.

5. Qualities distinguishing the public service of Catholics

A Catholic takes part in public life in the spirit of service to others and attempts to "perfect the order of temporal life." The purpose of action is the public good, social good, with one's own person in the background. Public service by a person aware of his Christian identity must also be distinguished by his turning toward man in the spirit of equality and respect for the individual, regardless of various differences and divisions. Doing good through participation in public life is a predominant obligation, but it is necessary that this particition not be, at the same time, in some other aspect, participation that works to the detriment of individuals or groups, that it not become an affirmation of untruth or injustice. This danger is possible in every structure of public activity—a Catholic must be particularly sensitive to this.

Contributing to the common good, perceiving the human being and separating oneself from wrong—these, in brief, are the main qualities that should distinguish the Catholic in public life.

6. The decision on participation in public life.

The decision about the field and form of participation in public life must be a personal decision. In this decision, one must take into consideration both a judgment on the need for and effectiveness of action and the possibility for maintaining one's Christian attitude and personal dignity.

We note here once again that a lay Catholic in public life does not become a representative of the church, even if he enjoys its esteem and trust. In doubtful situations in particular, one must avoid presenting one's position as church opinion or teaching.

A conscious, consistent Catholic must also be prepared, if necessary, for a firm statement of his own 'non possum'—his opposition to plans or actions that infringe on God's law and human rights.

Besides positive recommendations, a statement of some warnings and injunctions seems necessary for all fields and forms of participation in public life.

—A Catholic should not undertake public activity where it surpasses his preparedness and competence or where it is inconsistent with his personal calling.

—In no event can one enter public life at the price of untruth, hence at the price of concealing his religious philosophy. For the same reason, a Catholic should not undertake work or action in an institution that he views in conscience as superfluous in social life or as constitutin adulteration of it.

—Emphatically, one may not belong to associations or organizations hostile to the church or set against religion.

Thus before undertaking action in an institution, association or group, one must judiciously and scrupulously get to know its predominant ideology, by-laws and practices in order to make an appropriate decision with a cocmplete sense of responsibility.

Despite all the difficulties in the everyday life of individuals, families and the entire nation, the Primate's Social Council believes that every Catholic or almost every Catholic can find around himself a field for social presence, for public service, at least on a small scale. No

one is exempt from social responsibility. The belief that social life is poorly organized, that its structures are bad and hard to repair, that nothing can be done, is not a justification for indifference and inertia.

Changing the world, changing earthly reality in the spirit of the Gospel is a task whose undertaking one cannot refuse.

12776

## CZECHOSLOVAKIA

### Managers Urged To Start 'Economic Improvements' Immediately

*Prague RUDE PRAVO in Czech 5 Aug 87 p 1*

[Editorial: "Discussion and Plan"]

[Text] It has been less then 3 weeks since the proposed law concerning state enterprise was made public and discussions about it began. In just a few days the economic results for the first half of this year will also be made public. Is there a connection between these two events? One concerns the future, after all, and the other the past.

It can be said without hesitation that the seemingly nonexistent connection is there, and a very urgent one at that. The results of the first 6 months are not satisfactory. And discussions about the law? They are beginning to develop, people are already coming forward with suggestions for their participation in improving the statutory norms which will fundamentaly influence the future development of their enterprises, and thus also their lives. The effort to create the best conditions for economic and social development of our society should be applauded even now, such initiative is invaluable.

But is there not anything in such reflections on how better things will be in the future that could be applied even now? Understandably in the current, so often and justifiably criticized, circumstances. After all, it will be a long time before the new economic mechanism is put in effect. It will be used, of course, to lay the foundation for the new style of management, planning, organizing work, and who knows what else, but it must not be wasted from the viewpoint of fulfilling tasks currently in force. After all, the future ones will not differ in many respects from the current ones, and adopting new documents will not by itself have an impact on them, they will again be determined by people and their work, its level and its quality.

That makes it all the more urgent and immediate not only to think about and discuss the proposed law, but at the same time unhesitatingly put into practice everything that can be applied now. As the hero of socialist work Alexander Koci correctly understood and wrote about in his article for RUDE PRAVO (RP 30 July): If today we are having discussions about whom we shall vote for, we have to realize that every elected production manager, if he wants to make the grade, will have to insist on great economy in production, high quality workmanship and utilization of work time. And all this, after all, cannot be resolved by approving a law in the Czechoslovak Federal Assembly.

We must therefore begin removing shortcomings even today, in order to create conditions, both economic and social, as well as relations within work collectives needed for carrying out the law.

The discussions must become the mainspring for fulfilling the tasks planned for this year. It should be enough to remind people that according to the new principles the enterprise will be a self-financing unit and will have to pay its own way—production assets, wages, mandatory funds-and also turn over the appropriate share of profits to the state. That will not be possible without honest, quality work. And what do our experiences this year tell us about improvements in quality? Thus far, not enough substantial changes have taken place.

The resolution of the CSSR Government adopted at the end of last year concerning improvement of the quality of our goods is valid for all enterprises without exception. What steps have been taken to reduce the volume of internal losses, defective products and complaints, how much more stringent enterprise controls were made, how much care is being given to maintaining technological discipline and order. These and many other questions have to be kept in mind by the working people when they are thinking about the proposed law on state enterprise, and they not only have to think about it but also about what improvements they can make in their own workplace—the sooner the better. They should offer not only suggestions for improving the formulation of the law, but at the same time also suggestions for a stricter regimen in their workplaces.

The proposed law introduces extensive rights which will be given to work collectives, above all the right to a wide-ranging participation in management. But that does not mean closing our eyes to current shortcomings and waiting until the law is put into effect. If people even then will remain indifferent to shortcomings, they will have to pay for it literally from their own pockets. At present such losses are borne by society and in effect are paid for even by those who did not actually cause them. Is it right to be satisfied with this knowledge and not make an effort to correct it immediately?

One of the serious shortcomings in fulfilling last year's as well as this year's state plan is the slow pace of reducing the costs of material in particular, which slows down the creation of profits and consequently the income of the state budget. Although the proposed law does not speak about the material costs, can anyone think that an enterprise with high material costs will be able to produce large profits? Hardly. That is why the working people must take an interest right now in what their enterprise is doing to achieve such savings faster. This cannot be done on a day to day basis but requires goal-oriented, continuing planning and realization. A slow reduction of production costs necessarily means that the resulting shortage of resources will have to be made up somewhere else: planned development will have to be deliberately limited in some directions. Many people will not like this, and that makes a it all the more necessary to reduce costs at a faster rate already this year.

For their own benefit the working people will have to take an interest in how high and how necessary the costs are, because high costs will have an impact on the grants

to enterprise funds, including the wage fund. This will induce them to observe how the enterprise is being managed, whether materials or energy are being wasted, whether their utilization is at the level of advanced producers. And why does this not hurt them today? Wastefulness is paid for by all of society. Yet it actually affects every citizen.

It is absolutely right to think about what to do in order to have better planning, management and organization, to have every effort bring in a higher return in the Ninth 5-Year Plan. But nobody is relieved of the obligation to also make an effort to have his work contribution toward the fulfillment of this year's plan measure up to mandatory requirements. Much depends on fulfilling this year's plan and the entire Eighth 5-Year Plan as a whole, and therefore it is impossible to retreat from the essential requirement that all enterprises carry out their tasks.

To a certain extent the future successful functioning of the new economic mechanism depends on it as well, and within its framework also that of the law concerning state enterprise. After all, the goal of the new system of management is to substantially speed up the economic and social development of our republic, which will start from the base created by the Eighth 5-Year Plan. If its starting base is too narrow and also burdened by unfulfilled tasks, then the situation for individual enterprises and entire departments will be all the more difficult. Inevitably, their development will be marred by past debts, whereas it is desirable that everybody start with a clean slate.

The proposed law is being commented on not only by individual citizens, but collective discussions are being set up by many enterprises and organizations. That could be very useful—provided that such collective discussions are not limited only to what should be done in the future, but will at the same time consider, for the sake of a good start under the new circumstances, what can be done immediately for this year's plan, next year, and for the entire Eighth 5-Year Plan. That too will be a test not only of economists, but also of working collectives, how to plan and set goals for the development of their enterprises for immediate results.

Some time ago, the slogan "Tomorrow Better Than Today" was very popular here. Tomorrow can be identified with the planning of the new economic mechanism. In the interest of society and each of its members, the slogan must be changed to "Today Better Than Yesterday."

12605

## Improvements in Nuclear Power Station Construction Discussed

*24000391b Prague HOSPODARSKE NOVINY in Czech No 26, 1987 pp 8-9*

[Article by Eng Ivan Tupy, Skoda concern, Plzen: "Disproportions According to Plan?"]

[Text] At the end of 1986 the output of Czechoslovak nuclear electric power plants reached roughly 3,080 MW. Seven sections with VVER 440 reactors are connected into the power grid and further VVER 440 sections are under construction in Dukovany and Mochovce. Construction of the Temelin nuclear power plant with four VVER 1000 sections has been started. The plan for nuclear energy in the CSSR calls for acquiring a capacity of roughly 11,280 MW of electrical energy by the year 2000 and the nuclear stations are supposed to contribute almost 50 percent of the electrical energy produced. But we were not able to meet the goal set by the plan for the Seventh 5-Year Plan of putting 12 VVER 440 reactor sections into operation by 1986. In the author's opinion, the main reasons for this were shortcomings in the supplier-customer relationships, in planning the construction, and in preparations in the predesign and design phases.

The original intention set out by CSSR Government Resolution No 221/1978 of acquiring 10,800 MW of electrical energy from nuclear power plants by 1990 can be roughly only 40 percent fulfilled.

### What Role Does the Investor Have?

The investor (organizations of the Department of Fuels and Energy) has a decisive role in the preparatory phase. He must primarily take over direction and initiatives from the very first and find ways to join up the needs and social interests with the actual possibilities and conditions of the design and supplier organizations, as well as with the other specific conditions for the construction of nuclear power plants. Not respecting some of the aspects of preparing and carrying out the construction projects, as will be covered here further, creates disproportions right in the planning of the construction project itself.

First of all, it was striking what a strong influence the organizations of the Federal Ministry of Fuels and Energy had in validating the demands for accelerated construction and their advocacy even at the price of an effect on the level and depth of processing the predesign documentation and the initial design, as well as the suppliers' preparations. By not respecting the actual capacity and material capabilities of the supplying departments and pushing for directive schedules without regard to the actual conditions, the prerequisite conditions for fulfilling the tasks of the construction project are not attained. Indeed, for example, the original intention of carrying out construction at two different locations and bringing the sections into operation at an interval of 3 months (between the first section of the V2 nuclear power plant at Jaslovske Bohunice and the first section in Dukovany) was unrealistic with regard to the available capacity of some production and supply organizations right from its initial ordering.

Preparation and construction is a long-term matter. It amounts to roughly 15 and 18 years for our 4-section nuclear power plants. Managing the entire planning and

construction process requires that the planning task get more emphasis, that the technical design and supplier-customer relationships be clarified early on, and that the key supply and production organizations be brought into the preparatory phase on a timely and informal basis. The construction schedules for Czechoslovak nuclear power plants must be programmed for each location so that they mesh in time and material with the process of cooperation and technical assistance provided by the Soviets.

## Cooperation So Far Has Not Been Valued High Enough

Progress is often slow or delayed in negotiating an international agreement or general contract, in approving the selection of the construction site, in concluding the contract and securing delivery of the Soviet technical design, or in concluding the documentation on distributing deliveries. The time which the Czechoslovak organizations waste in these preparatory phases of construction cannot then be made up in later phases. The role of cooperation with the Soviet Union, which influences in a decisive way the further progress of the Czechoslovak suppliers, is underrated, especially in the course of predesign and preparations.

The cooperation of the Czechoslovakia organizations with the Soviet Union is based mainly on the fact that the Soviet Union is:

1. the originator and creator of the technical concept of the nuclear section;
2. the originator of the design solution for the key primary circuit equipment;
3. the processor of the project design and the project ordering;
4. the guarantor for ensuring the nuclear safety of the section;
5. the supplier of some equipment; and
6. the supplier of special work and technical assistance (principal assembly, special assembly, author's supervision, start-up and tune-up work, and other).

So far we have not succeeded in rationally modifying our procedures and the deadlines for preparing and executing construction of nuclear power plants to the Soviet system, especially as far as it concerns progressive technical and design clarification and the contractual and supply support to the construction project which is continually tied to such clarification. In the USSR, in contrast to our usual practices, the designer works out the first and second stages of the project, that is, the technical design and the implementation design.

In connection with the different methods of supplier support to construction in the USSR and the CSSR, the depth and binding nature of the Soviet Technical design and the Czechoslovak initial design are also different. In working out the technical design, in the USSR the supplier usually does not give the project designer binding technical submissions and therefore in the period when the Czechoslovak initial design is being worked out it is problematic to get binding submissions from the Soviet suppliers for the initial design in the sense of our regulations (decree No 5/1987 on construction project documentation). For working up the first-stage documentation to the depth of our initial design, the Soviet technical design would not be enough by itself and it would be essential to have the data from the Soviet implementation design as well.

Delays in securing certain documents and submissions, not working up essential data for the design tasks and the initial designs, and not adjusting our procedures to the Soviet practices result in delivery delays and, in some cases, in delaying the suppliers' production preparations. Slippages in the design documentation prepared by the Czechoslovak design and supplier organizations consequently lead to delays in the construction project.

Managing the preparation and construction of Czechoslovak nuclear power plants is unthinkable without effective cooperation with the USSR. It is therefore also necessary to develop this cooperation further. Its rational development and the utilization of Soviet experience require, however, among other things, an effective modification of the Czechoslovak regulations for capital construction to the practices and conditions of design and support of construction projects in the USSR, a rational division of labor by the Czechoslovak organizations in working up the preparatory and design documentation, and also proper and effective utilization of documentation developed by the Soviets

## Question Marks in Design Preparations

The design preparations of Czechoslovakia nuclear power plants, mainly as far as their organizational support by Czechoslovak organizations is concerned, is one of the weakest links. While the general designer ensures that the initial designs are prepared, providing the implementation designs is subject to being split up among suppliers. Setting up the implementation designs of the technology in such a way that it is split up into many organizations of the individual final suppliers and final subsuppliers has a negative effect, particularly in ensuring design compatibility between the partial designs. For example, the design documentation for operational assemblies of the technological portion of the construction project put into operation with the first section of the Dukovany nuclear power plant was divided into 56 operational and 272 partial operational assemblies. The differing interests and capabilities of the design units of the individual supplier organizations, their attempts at rationalized utilization of their design capacity (work on other orders), and the varying lengths of time required to work up partial designs do not permit bringing the

progression of design work into phase timewise at the organizations involved, so that coordination of the individual implementation designs takes place in the course of their processing.

Those who develop the implementation designs—and mainly they are not the same people who developed the initial design—start their work late, usually after the initial design has been published or at a time when it is already essential with regard to the progress of the construction project to transfer partial design results from the implementation designs prepared for the construction implementation designs or the designs of other related technological professions. This causes delays in the design preparations of the related professions. Changes in the design documentation are a consequence of delayed delivery of documents or their inadequate quality. Design capacity is thus used ineffectively and this also has an effect on the progress of work at the construction site.

The system of assigning implementation designs practically duplicates the division of activities between the supplier organizations applicable from the standpoint of the distribution of assembly work or subassembly operations. With the current breakdown into operational and partly operational sets, this stifles to a great degree both the functional viewpoint and the viewpoint of problem of solving, and hence rational conditions are not established for the design process.

Coordination of the implementation designs for technology by the general supplier—who is neither the author of the technical concept of the project design nor the one who works up the initial design—is indeed the obligation of this higher level supplier in the sense of the decree on documentation of construction projects, but in actual fact with the current situation it relegates him to the simple expediter of the exchange of design documents between the individual processors of the implementation designs and the general designer. This method of design and division of labor does not give the general supplier of technology an effective method to control the process of design work and the necessary technical and organizational level and weakens his responsibility for performing the job of general supplier.

I can give the design of the so-called primary installment as an example of the irrational utilization of design capacity. In cases here where there are changes in the design documentation, in contrast to the situation in the USSR where one designer takes care of it and its enforcement is within his sphere of authority, we have to secure, in addition to the assistance of the Soviet designer, the participation of the general contractor, the general supplier of technology, the final supplier, and in some cases also the final subsupplier to resolve the design. With the well-known shortage of design capacity in the CSSR, such a division of labor is a somewhat excessive luxury and we must limit similar wasting of design capacity in the future.

The rationalization of work in designing in connection with improvements in the supplier system is one of the basic conditions of rationalization and improved effectiveness of the entire preparation for and construction of nuclear power plants. One of the possible rationalization measures in the designing of nuclear sections is to concentrate the design capacity and to process the appropriate portions of the initial and implementation designs in the same organization. It would further be useful to obtain coordination of the implementation designs by a design unit which would participate in the processing of the design documentation in a decisive and creative manner, is the author of the technical design solution and the processor of the initial design, and who issues the technical requirements and coordinates the related professions right in the study for the initial design.

The idea of simplifying the system of designing nuclear power plants and concentrating the design capacity is not a new one. As early as 1972 CSSR government resolution No 281/1972 was approved on the redistribution of the design capacity between departments for improving capital construction. As a practical matter, this task was not carried out. In 1976 the CSSR government in resolution No 123/1976 on the 5-year state plan for development of the CSSR national economy for the years 1976 to 1980 approved tasks and measures for ensuring a gradual increase in the suppliers' participation in the design preparations of construction projects and the task of concentrating the capacity of design elements into larger units. But fulfillment of these tasks has mainly not been ensured for the construction of nuclear power plants, specifically in organizations of the department of metallurgy and heavy engineering (but also in other departments).

Tasks aimed at concentrating the design capacity for nuclear energy were also formulated in the documents of the 16th CPCZ Congress (see Main Directions for Economic and Social Development of the CSSR for the Years 1981-1985). To date, however, there have been no objective requirements made for taking specific measures to ensure effective concentration of the design capacity which would lead to improving the quality of design preparations and improving its management. Such a requirement must be formulated from the viewpoint of social needs and the long-range concept of development of the entire national economy and thus eliminate the departmental and local approaches of the individual branch ministries, organizations, and even units which are one of the main reasons why we have so far not succeeded in implementing the above measures.

It is also necessary to mention the predesign preparations, that is, the period of working up the design task, in connection with design preparations. According to the decree on documentation of construction projects, the supplier organizations are obliged in working out the design task to provide the processor with information,

particularly on their products, their production capabilities, delivery schedules, data for working out cost calculations, and also information on supplier capabilities and conditions of supplier support.

In the flow of requirements and information along the line of the design task processor-general supplier of the technological portion-final supplier-final subsupplier manufacturer-final subsupplier-final supplier-general supplier-design task processor, it is obvious that this is simply an inflexible system. In it the majority of the time for securing the input is consumed in the administrative movement of requirements and feed back information through the mail between the units and organizations involved. At the same time, the individual higher suppliers are mostly not interested in this phase in influencing the technical concept of the work and its technical design solution and so cooperation on developing the design task has a more or less administrative nature.

The intermediary flow of information, from the manufacturers through the supply elements of the higher suppliers, in some cases filters out and hides shortcomings in production preparations. As a result, submission of inputs from the production units of the higher supplier or of other production organizations are not secured in time, and because of the complexity of the supplier-customer relationships, the units and organizations who are at fault remain practically anonymous.

If the construction project design task is to fulfill its mission,which is specifically to be an adequate base for negotiating the supplier-customer relationships and for related preparatory work of the production and supplier organizations, it is essential that it contain the necessary data from the Soviet technical design, particularly in its so-called primary part, that is, in the design on the part of the Soviets. The investor should mainly take care of the timely development of greater activity here and the creation of the necessary conditions to ensure the submissions.

## A Conflicting Supplier System

The system of supplier-customer relationships connected with the construction of nuclear power plants is based on the cooperation of the main participants in the construction project: the investor, the general designer, and two general suppliers, that is, the general suppliers of the construction and of the technological portion. The complexity of supplier support of the technological portion is demonstrated by the fact, among other things, that the technological deliveries for the Dukovany nuclear power plant (4 X 440MW) are broken down into 127 operational and 684 partial operational assemblies.

For the Temelin nuclear power plant it is required that the general supplier of technology coordinate about 80 operational assemblies supplied by 25 final suppliers within the framework of construction project IV.B (the first and second sections). At the same time, the share of actual assembly work by the general supplier of technology is relatively small and represents roughly only 6 to 7 percent of the overall volume of assembly work. Fulfillment of the overall general supply is thus mainly dependent on the contractual securing of supplies and work by the final suppliers and subsuppliers involved. With this situation the general supplier fulfills mainly the function of an administrative coordinating element whose executive activities are largely suppressed.

The duties of the technological suppliers rising from higher supplies are understood by the supplier rather as production and assembly work and not as supply in the proper sense of the word. This is connected in the first place with the division of higher supplies into operational and partial operational assemblies, which is not always appropriate. With regard to their nature and extent, some of them cannot provide an independent or at least partially independent technological process. Such a breakdown is influenced either by the narrow interest of some manufacturer or supplier and made possible by improper application of the supply principles of the Czechoslovak legal system, or is occasioned by the attempt to reduce responsibility on the part of another higher supplier who would be the responsible party for securing such activities and work based on the subject matter.

In the breakdown into operational and partly operational sets, the production (supply) viewpoint takes priority over the system viewpoint. It is necessary that we more thoroughly distinguish the assembly operations carried out, for example, by signing contracts on the supply of assembled machinery and equipment from the higher supplier functions in the sense of the economic code (law No 109/1964 of the Sbirka in the wording under No 45/1983, referred to further only as the economic code) which, however, at the same time requires effective concentration of the design activities. Less than thorough involvement of the suppliers in the design process and insufficient application of the functional viewpoints is the other aspect which negatively affects the supply-oriented understanding of higher supplies.

## Who Is Supposed To Start Up the Sections

Discussions have been going on practically from the beginning of construction of nuclear power plants in the CSSR regarding who is supposed to start up the nuclear sections. Views are not unified on the question of whether putting the nuclear section into operation falls to the supplier and is part of fulfilling the general supply of the technological portion or whether loading the fuel into the nuclear reactor is actually the beginning of limited operation of the nuclear facility which must be taken care of by the operator.

At the first Czechoslovak nuclear power plant A1 in Jaslovske Bohunice, the technological equipment was turned over to the investor (the operator) after completion of inactive testing and the operator took care to turn

it on physically and energy wise. The operator also saw to the start-up of the V1 electric power plant at Jaslovske Bohunice. Here, however, the supplier in the primary portion did not perform the function of the general supplier, but took care of supplies in the name of and on the account of the investor and performed the assembly work. It was not until 1980 that the department of fuel and energy pushed through its requirement, despite the resistance of the general supplier of technology, that the comprehensive tests at nominal section output also be part of the general supply of the technological portion of the nuclear sections.

With regard to the construction planning schedules in effect at that time for nuclear power plant V2 Jaslovske Bohunice (putting the first section into test operations in December 1982) and the Dukovany nuclear power plant (March 1983), the decision to include the start-up physically and for energy purposes in the supplies of the general supplier of technology (Electric Power Plant Construction Skoda) was made rather late, practically after the issuing of the initial designs for the V2 nuclear power plant Jaslovske Bohunice and the first and second sections of the Dukjovany nuclear power plant. This decision was approved despite the fact that the essential legal prerequisites did not exist in the Czechoslovak legal code for the general supplier of technology to perform the start-up physically and for energy, and despite the fact that the general supplier was not prepared to perform these operations from the technical or personnel aspects.

These facts were partially recognized in the decree No 226 of the CSSR government leadership in 1983. It was established that the operator, in cooperation with the supplier and other organizations, would take care of the physical and energy start-up. However, the equipment would continue to remain the property of the suppliers and the operator would take them over just for premature usage for the period of physical and energy start-up. Comprehensive testing of the section up to nominal power output—thereby ensuring limited operation of the section for a period of 144 hours—also continued to remain the responsibility of the supplier.

The provisions on starting up nuclear sections in accordance with this decree must be understood as a provisional solution which served its purpose on the basis of an evaluation of the experience of starting up the sections of the nuclear power plants V2 Jaslovske Bohunice and Dukovany from the technical aspect. However, it would not be proper to be content with this statement and to continue the practices applied today on into the future. It is in fact not logical for the general supplier of technology to be responsible for carrying out the comprehensive tests if he does not also take care of the preparatory phase, which is the physical and energy start-up.

The current situation of starting up nuclear sections is in conflict with the requirements of increasing the responsibility of the supply organizations for taking care of the construction project. Rationalization of the division of labor between the supply and the customer organizations, unambiguous delineation of the responsibilities of these and other organizations as well for the preparation and implementation of the start-up, ensuring efficiency and creating the prerequisites for further increasing the technical and organizational level of start-up work, must become part of the decisive viewpoints for further progress.

Currently the Skoda concern is proposing to strengthen and firm up the comprehensive responsibility of the general supplier of technology by having the active start-up, that is, the physical energy activation of the nuclear of the nuclear sections, be included in the general supplier's activities. This is particularly a matter of t he general supplier directing the start-up and also being more deeply involved in other phases of preparation and construction. This complex approach to the activities of the general supplier of technology is determined partly by the need to improve the organization and management of preparations and implementation of the construction of Czechoslovak nuclear power plants and partly as well by the need to strengthen the increase the technical level of supplies and the technical potential of the organizations in the supply departments, also with regard to the development of products and capital investment entities.

## The Reduced Responsibility of the Participants

The current system of supplier-customer relationships in handling supplies for nuclear power plants is excessively complex and in many areas has not been resolved. Formally the system of higher suppliers is indeed confirmed but in fact this breaks down to a system of higher "completion workers" among whom a functional knowledge of the operational systems or their parts which are supplied is quashed and their responsibility for the operational sets supplied by them or by higher-level supply is not comprehensive. The current supply system reinforces the formal and administrative approach to solving problems and does not create the necessary room for rationalization activities in planning, preparing, and implementing the construction of nuclear power plants.

A conceptual solution to supplier-customer relationships has an interbranch nature. The shortcomings which routinely show up in taking care of the construction of nuclear power plants occur not just through irrational behavior of the individual participants in the construction project, but also that of their superior and central agencies. We are witness to frequent justification of one's own mistakes, attempts to shift the responsibility for delayed preparations and slippages in the construction project, efforts to put off solving problems which have come up until a time when it is very difficult to resolve them, or attempts to continuer blindly with fulfillment of the schedules for a partner's activities even in a situation when this fulfillment is simply unrealistic in view of previous slippages.

As an example, we can give the situation which came up during transfer of the technological data for the construction implementation designs for the Dukovany nuclear power plant. For the first and second sections the investor gave the general supplier of technology a request of the general supplier together with the initial design in June 1979 which was more than 10 months late. For the submission of technological data for the construction implementation designs the workers of the Federal Ministry of Fuels and Energy put together a list of tasks with schedules which had indeed been approved by a council of the ministers of the superior organizations participating in the construction project, but neither the investor nor the general designer had discussed it with the suppliers. Meeting the schedules according to this list was directed by decree No 182 of 19 July 1979 of the leadership of the CSSR leadership and the schedules for carrying out submission of data were set progressively from February 1979, that is, negative schedules. In other cases the list did not take into account the need for essential processing of the implementation designs for technology, so that at the time the deadlines were set it was technically unrealistic to ensure that they would be properly met.

Similar situations can hardly contribute to good relations between the partners, often create unproductive arguments, cause an ineffective and uneconomical approach to work, and lead to wasting labor capacity. It is obvious that the amount of irrational actions in management grows as well with the complexity of the supplier breakdown and the high number of participants in the construction project and the suppliers for construction.

The complex and conflict-ridden situation in supplier-customer and legal property relationships involving supplies for nuclear power plants demands an immediate resolution which is well-thoughtout, forward-looking, comprehensive, and based on a high level of authority. It must above all:

1. simplify the system of supplier-customer relationships with a goal of rationalizing all activities in the preparation and implementation of construction projects;
2. emphasize the objective responsibilities of the operator for nuclear safety;
3. decide whether to preserve the system of higher and technically strong industrial suppliers; if the decision is yes, then:
   a) ensure that the technically strong suppliers also have a decisive influence in the negotiation of the technical concept and the technical design solution of the nuclear section and that these suppliers' comprehensive responsibility in the preparation and implementation of nuclear power plant construction be reinforced by their deeper involvement in the processing of the preparatory documentation and the initial design;
   b) make sure that the technically strong suppliers participate in a decisive way in starting up the nuclear section (otherwise they would not be strong). In the opposite case it would be a retreat from higher supplies in the sense of the economic code.

The supplier branches, primarily the organizations of metallurgy and heavy engineering and the electronics industry, play a key role in ensuring the development of nuclear energy and in the construction of the technological portion of the Czechoslovak nuclear power plants. They provide roughly 98 percent of all suppliers and labor (of the technological portion) in the form of the higher supplier function. Experience from the construction of nuclear power plants shows that insufficient attention was paid to their rational development and a comprehensive approach is missing because of partial measures taken.

The construction of nuclear power plants must correspond not only to the organizational base of the higher suppliers function and the VHJ's (economic production units) involved, but it is also necessary to ensure a thorough connection with production and research and development and with the individual branches of economics and planning. The level of central agency management must also be appropriate to this.

## The Orientation of Technical Development

For the Eighth 5-Year Plan, nuclear energy is concerned with performance of the research and development tasks contained in the eight tasks of state plan. In addition, performance of the tasks of the third priority area (the development of nuclear energy) of the Comprehensive Program of Progress in Research and Development of the CEMA Member Countries Up to the Year 2000 is also being undertaken. Ensuring the necessary related nature of the performance of the individual tasks whose executors are various organizations from several departments, avoiding duplication in their performance, and concentrating primarily on timely provision of the implementation outputs of the tasks which affect support of the production, supplies, and work performed at nuclear power plant construction projects, must all be in the forefront of the interests of the organizations involved.

In the period coming up there is a need to utilize the results of work carried out in the USSR to a far wider degree and to cooperate more thoroughly between the customer and supplier departments in passing on and utilizing the results of performance even during coordination of the tasks performed. It is necessary to involve the Czechoslovak design teams and design organizations in the international division of labor in a rational way and it is necessary to validate requirements with the advance time needed and to include them in the plan for

research and development tasks as have a direct connection with the activities of the supply and other implementation elements and are connected with production, supplies,design work, or other implementation activities on the construction projects of the Czechoslovak nuclear power plants.

The disproportions which occur in carrying out research and development tasks are a result of the research and development management system. The suppliers and manufacturers are not the direct executors or coordinator as of some tasks or partial tasks of the state plan despite the fact that performance of the tasks is directly connected with or immediately affects the fulfillment of their suppliers duties. The supplier organizations are only indirectly induced toward cooperation in the performance of such tasks. Partial performance as a rule is oriented toward the individual products and the bearer of the higher supplier functions here figures as an administration link without the required coordination function. Concurrently with the development of the higher supplier function it appears that it would be useful to reorient the performance of technical development tasks from the product level to the level of operational sets and useful functional systems, with the executor or the higher supplier function also bearing the appropriate responsibility for their technical development.

Measures to improve the planning and organization of nuclear power plant construction projects have already been the subject of the attention of government and departmental agencies for several years now. Despite the measures taken and partial positive results which have been achieved in the construction of nuclear sections in the CSSR, there is considerable unused potential remaining in the preparation and construction of nuclear sections in the CSSR, there is considerable unused potential remaining in the preparation and construction of nuclear power plants. The sources of this unused potential are both in the investor, design, and supplier preparation of the construction project and in the management of the work at the construction site. The basis of the essential rationalization measures is to be found in an effectively worked out, prudently introduced,thoroughly and comprehensively applied system of supplier-customer relationships which is in keeping with the needs of the long-range CSSR economic strategy and in the spirit of the Principles of Rebuilding the Economic Mechanism of the CSSR.

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## Foreign Trade in Restructuring Mechanism

*24000389b Prague HOSPODARSKE NOVINY in Czech No 25, 1987 p 3*

[Article by Prof Eng Jaroslav Nykryn, DrSc; first paragraph is HOSPODARSKE NOVINY introduction]

[Text] The highly specialized activities in foreign trade must be always and under all circumstances conducted by professionals, regardless of its organizational structure. The necessity for professionalism in this area will certainly continue to increase, particularly with respect to the application of the principles of the Comprehensive Experiment for Increasing the Independence and Responsibility of Economic Organizations for an Effective Development. Those are the basic ideas contained in an article whose author did not live to see it published. Prof Eng Jaroslav Nykryn, DrSc, an outstanding pedagogue and expert, a long time professor at the Department of the Economics of Foreign Trade at the Higher School of Economics in Prague, died suddenly on 21 May 1987.

The application of the principles of the experiment in foreign trade, which have been known to the public for some time, bears mainly upon the development of direct relations with economic organizations of CEMA countries, in the foreign trade finance and not in the last place, upon the organizational structure of relations between production and foreign trade. However, all these measures will not be effective if they are not supported by competent efforts of the managers and employees of both areas of the Czechoslovak economy involved,—production and foreign trade—, their specialized political qualifications and the highest levels of professionalism.

Such growing importance of the human factor in foreign trade and in the entire complex of external economic relations also highlights many objective causes:

1. The number of people directly (but not as middlemen) engaged in foreign trade has increased considerably as a consequence of the new measures;
2. There will be a further increase in the range and volume of material, koruna, and foreign currency resources; the decisions concerning them will be made in the khozraschet sphere, namely in the areas of export, import, international cooperation, technological cooperation, in direct relations, etc.;
3. The complexity of the division of labor in foreign trade will be increasing in connection with the continually growing share of non-traditional practices in all the foreign trade activities;
4. Together with the greater authority, delegated to the production enterprises, there will be a symetrical increase in the responsibility of workers for the results arising from economic relations with foreign countries;
5. Furthermore, the economic, political and social responsibilities of people active in this area will also increase, whether as cadres they belong to the federation of economic production units or to the organizations of foreign trade (OZO), as direct representatives of the enterprise or department and the socialist state in relations with foreign countries.

### Monopoly Is Not a Fetish

One of the key problems in restructuring the economic mechanism to its final form for the Ninth 5-Year Plan (which must be done step by step, because restructuring

cannot be achieved in one stroke) is, even in external economic relations, the division of management activities between the center and the enterprise sphere. That manifests the need to return again to the substance of the state monopoly of those relations. Clarifying the concept of the monopoly is advisable because it bears upon, among other things, the optimization of the "enterprise" base of foreign trade, with priority given to the economic over the organizational structuring. It is quite important also from the viewpoint of a more precise definition of the rights and duties of the agencies and organizations of production and foreign trade, and it fundamentally affects the problems of adapting the production processes and foreign exchange to promote an objective development of relations outside Czechoslovakia.

From the viewpoint of external economic relations (not only foreign trade), we define state monopoly as a sovereign right and duty of the state to manage, organize, realize and control economic relations with foreign countries in the interest of society and to delegate the carrying out of the appropriate activities to agencies and organizations which are best suited for them. The mentioned clarification of this monopoly concerns particularly the following 3 problems:

1. delegating on a broader basis the right to conduct foreign trade activities;
2. the concept of the protective function of the monopoly; and
3. application of the developmental function of the monopoly.

Delegating the right to conduct foreign trade activities has been our long time problem, which in the course of time assumed, beside the economic, a distinctly political character. That underlines the importance of the human factor. State monopoly cannot be considered anonymous, and even less as a fetish. Monopoly is created by living human beings, who are the initiators and implementors of delegating measures.

The state, represented by legislative and executive power (thus by the representatives of those agencies), acts as the supreme entity of the monopoly, directly in strategic questions, for instance, in international treaties and agreements, but more often through intermediaries, entities to which it delegated its sovereignty. In the first instance it cannot be represented because an economic production unit, for example, cannot conclude an international trade agreement. In the second instance, it is represented by a number of central agencies (for example, the Federal Ministry of Foreign Trade, the Federal Ministry of Finance, etc.) as well as by trade and production organizations. As a result of delegating on a broader basis, the number of people, to whom the sovereignty of the state is transferred without anonymity, is also expanding.

The previous fetishistic concept of the protective function of the monopoly (as an impenetrable barricade against the negative influences of capitalistic economics) has to be redefined in the sense of a conscious protection of certain enterprises by the state, for example in the case of risks which by their extent and structure are beyond the power of individual enterprises to handle. Such cases highlight the problem of the so-called incomplete khozrashet of such enterprises. In connection with the economic, transformative, transmissive, and purchasing function of foreign trade, the concept of the developmental function of monopoly must also be modified. However, same as in the case of the protective function, the developmental function of the monopoly can be performed in practice only by human beings in the appropriate work places. An advisable strengthening of the developmental function would be an individually directed enforcement of all measures aimed at intensifying the Czechoslovak economy, which in practice mostly means to basically give opportunities to our producers to enter into direct joint production relations with partners in CEMA countries, but also a systematic utilization of state of the art technology from all over the world in the Czechoslovak production base.

New way of thinking the process of a further subjectivization of the Czechoslovak economy by increasing the role of the subjective factor (which has nothing in common with subjectivism) will be set in motion also by all the measures, already approved or being drafted, in the foreign trade organizational sector in 1987 and the rest of the current 5-Year Plan. During this period, it will be extremely important for the successful course of our economy to maintain the professional level of conducting activities in foreign trade, and moreover to keep improving it under the new conditions, when

1. some foreign trade organizations (OZO) will be transferred to the economic production units association;
2. the procurement relations between certain production enterprises and OZO will be deepened;
3. detached units of some OZO will be established within the economic production units;
4. the authority of certain economic production units to conduct foreign trade activities will be expanded to their entire production program; and
5. as a new step, permission to conduct such activities will be granted to certain economic production units and production enterprises, for example in connection with the development of direct relations.

High requirements will be placed automatically also on the staff of the department of foreign trade itself, at the centre as well as the OZO level. In connection with the gradual change-over from the present conditions to the goal-oriented mechanism of managing foreign trade within the framework of CSSR external economic relations, the staff of the center will take care of tasks primarily of the strategic, conceptual and long-term nature, and the staff of OZO tasks having to do with khozraschet. The OZO employees will be required, more so than was the case in the past, to meet the requirement of providing a highly professional trade agency. However, at the same time the managers in particular, both in

the center and in OZO and in the khozraschet sphere, will have to prove their ability to solve problems comprehensively. Such solutions will also require a new way of thinking, that is thinking which takes into account enterprise, macroeconomic, national and international aspects all at the same time, thinking in the CSSR dimensions as well as in the dimensions of the CEMA partnership. Much more than previously (and there have been some positive indications in the experiments in the relations betweens production and foreign trade in 1983-1985) it will be necessary for the employees in foreign trade to think about the problems of production, and the employees in production to think about the problems of foreign trade.

We do not wish this to sound like cheap lecturing when we say that true professionalism in foreign trade activities cannot be impersonal, or in other words, anonymous. Basic questions, such as, for example, what demonstrates the success or failure of certain measures (among other things in the newly approved or planned organization of foreign trade activities), or what determines the effectivenes of those measures, will involve an ever expanding circle of people. It will be essential that every one work out for themselves how they can personally contribute to the development of CSSR foreign trade.

## Disagreements With Experiments?

Probability of the correctness of the new measures in the area of foreign trade is still hypothetical in the middle of 1987, even though they were adopted with a clear goal based on our previous experiences, international comparisons, as well as on results and recommendations of economic research. As a result, it should follow that both the practitioners and theoreticians of foreign trade have the obvious duty to observe, actively and with an inner commitment, the course and the consequences of the new measures, analyze them critically, and evaluate them in such a way as to make available conclusive evidence and more definitive judgment by the beginning of the Ninth 5-Year Plan. In such a case the role of a subjective factor is irreplaceable. On the other hand, the success of individual measures cannot be proven anywhere else but on foreign markets, by the prices obtained, the overall value of exports, improvement in the range of goods, etc., as far as export is concerned, and similarly by the prices being paid, suitability of the structure, etc., as far as import is concerned.

The requirement to have such a "proof" that the new measures are correct should be obvious. The professionals in foreign trade and in the production enterprises know, however, that often that is not the case. For example, one can point out the routine application of some ideas on effectiveness from the domestic point of view, which measure results obtained in export by indicators based on irreconcilable differences between foreign prices and domestic wholesale prices of export goods, or on ratio indicators comparing earnings in foreign currencies with the so-called foreign currency content. There is also a great deal of distorted understanding of the so-called high import requirements for needs of the export of complete industrial plants (pro-export imports) with many voices for as well as against. Last, but not least, we encounter correct as well as totally distorted arguments concerning certain types of so-called conditional trade, with different attitudes toward the serious problem of unblocking Czechoslovak claims in some developing countries, or "substantiated" as well as "unsubstantiated" lack of clarity in attitudes toward developing direct contacts with partners in CEMA countries, etc.

The daily exchanges of opinions on the already approved measures in the area of foreign trade (or opinions on measures under consideration in 1987) do not attest to an unequivocally unanimous opinion of professionals in this sphere. Not everywhere are these measures accepted without reservations. On the other hand, that could have been expected because this is interference with a long established practice. At stake are changes in the status quo which are, if not very dramatic, at least quite substantial in certain instances. (See an article by the same author "Without Dramatic Changes," *Hospodarske Noviny* No 15, 1986.)

## Let's Not Be Academic

It is always easier to give advice than to act, particularly if the act requires changing one's attitude, giving it a new focus, adopting a new way of thinking. Even at the cost of being suspected of being free with advice, it is necessary to begin by saying that if today the changes in the development of the economy including foreign trade are usually accepted as a normal state of affairs in the general sense, it will probably be necessary to accept them also in the concrete sense, not the least because it is required by the regulations and their outside authorities. We are not talking about an uncritical acceptance of the new measures. On the contrary, a critical attitude toward them is desirable for the sake of their success. Criticism, combined with the necessary dose of self-criticism, is an undeniable parameter of professionalism and a sign of inner authority. Organizational modifications in particular, because they directly affect people, require a new "inner structure" of attitudes. They need support because of their experimental nature, and because they will be effective in their final form only if they are subjected to previous critical evaluation.

In this respect we must not forget that the purpose of the new measures is to improve the effectiveness of foreign trade and the entire complex of external economic relations. No regulation, no reorganization, no change can be effective without the creative initiative of the people. That is what true professionals must show. The inevitable generality of regulations and directives

requires concreteness in action where there may be a myriad variants not covered by the regulations. When converting the general to the specific, there is room for professionalism.

Dissatisfaction with the status quo, which is characteristic of any true specialist in any sector, leads, in foreign trade as well, to searching for new ways and to discovering hidden potential. It would be far too academic to tell those professionals how much and what kind of hidden potential there is in this sector of the Czechoslovak economy. It is just obvious that a professional cannot merely fulfill his obligation stemming, for example, from his job description, from the classification of his function, or from the official degree of his authority and responsibility. That is easy to say, of course, but it needs to be said that a true professional does more than just what he is obliged to do. Even in this lies the difference between him and a ordinary routine worker, not to say a nonprofessional. There is no place for nonprofessionalism in foreign trade.

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## GERMAN DEMOCRATIC REPUBLIC

### Increased Reliance on Indigenous Raw Materials Encouraged

*23000012 East Berlin WISSENSCHAFT UND FORTSCHRITT*
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[Article by Prof Dr Gerhard Keil, full member of the Academy of Sciences and director of the Institute for Chemical Technology of the Academy of Sciences; Prof Dr Wolfgang Heinrichs, full member of the Academy of Sciences and director of the Central Institute for Economic Sciences of the Academy of Sciences; and Prof Dr Guenter Albrecht, full member of the Academy of Sciences and chief of the physics research area of the Academy of Sciences: "Rational Utilization of Indigenous Raw Materials, More Complete Processing and Economic Strategy: From the Plenum and Classes of the GDR Academy of Sciences (1); first paragraph is WISSENSCHAFT UND FORTSCHRITT introduction.]

[Text] The processing industry of the GDR is entering into a qualitatively new stage in its development. "It is now time to imbue the entire chemical industry with processing." (2) So states the report of the SED Central Committee to the 11th Party Congress. We will delve into some aspects that appear to us to be especially important in this connection.

[Photo caption] Basic research at the Central Institute for Inorganic Chemistry of the Academy of Sciences serves, among other things, to develop new ceramic materials and to optimize traditional ceramics. In addition to its "classical" areas of application—in electric insulation technical, for example—this group of materials has also captured quite new fields—microelectronics, for example.

### Changed Reproduction Conditions—New Quality in the Use of Chemicals in the National Economy

Our national economy is developing on a highly developed material and technical base in accordance with the tendencies and characteristics of intensively expanded reproduction. The following changed reproduction conditions that are also points of departure for a new quality in the application of chemistry are thereby becoming apparent:

1. The possibilities for an extensive expansion of the raw materials and energy economy have been reduced. In particular, it requires increasing social expenditures to provide fossil organic sources of carbon or even to increase the supplied quantities. That involves not only the extraction and processing of domestic raw materials but also the complex national economic problems that relate to the provision of suitable equivalents for the importation of raw materials.

2. For economic and strategic reasons, therefore, the utilization of domestic raw materials is becoming more important.

3. Industrial production has attained a scope and intensity that force one to employ greater social potentials for the conservation of the natural environment.

4. The scientific-technical revolution is linked to an intensive renewal of products.

Through the production of new products with new and substantial higher utility values, traditional consumer and capital goods are rapidly devalued (even when that cannot be discerned in the retail prices in the domestic market). In the international markets, this process is expressed in the dynamics of the relationship between foreign exchange receipts and domestic expenditures.

5. The condition of the material-technical base and the level of the application of science have led to technologies that are characterized by an extraordinary increase in the productivity of labor in processing chains and that we designate as key technologies. Especially impressive examples are microelectronics and optoelectronics and, above all, their applications.

6. The interlacing of science and production has attained a new quality. It is expressed in a growing performance capability of the combines, which have a substantial potential for rationalization and reconstruction. Through this and through the closer linking of the academy and university institutes to the combines there

are greater possibilities for the transfer of scientific results. Also to be named for the processing industry is the increased performance capability in the construction of chemical installations.

7. With respect to its scope and performance capability, the material-technical base of the economy has become substantially stronger. The preservation and modernization of these resources puts high demands on the national economy. The maintenance and technical renewal of the facilities for mass processes is attaining the weight of significant investments for the national economy.

The processing industry is reacting to these changed reproduction conditions with new forms of the improvement of materials. This higher processing is characterized by special features that cause us to speak of a new quality in the application of chemistry in the national economy.

In the following, we want to go into the consequences that result from the changed reproduction conditions. (3)

## Increased Use of Domestic Raw Materials

The increased use of domestic raw materials is a fundamental long-term structural decision. That is valid with respect to:

—the determination of the directions of research

—the different development of the material-technical base of different industrial branches

—the development of processes

—the development of the technical and social infrastructure.

The use of domestic raw materials is not an emergency solution but a development trend that can be seen in all industrialized countries. In particular, the objective being pursued is to protect the respective national economies against disturbances that can be initiated by crises in the raw materials markets.

In the final analysis, the utilization of indigenous raw materials is a specific form of ensuring the reproduction conditions in the long term; that also pays economically.

Depending upon deposits determined geologically, raw materials have different compositions and thus different qualities. One must therefore either adapt the processing methods to the changed qualities of the raw materials and, accordingly, make them variable, or one must develop new methods for processing raw materials. Both must take place in the scope of the processing industry.

The processing of domestic raw materials is a specific form of higher processing. The requirement for the rapid change in the assortment does not generally apply in this area. We continue to need products of the first processing stage that have long been in the market with constant quality.

The outstanding achievement here is in securing this quality of raw materials despite a worsening of the content of their deposits. The processes changing materials are increasingly serving as processing stages through which the changes in the raw materials base are kept away from the further processing industry.

The increased utilization of indigenous raw materials with the help of these processes ensures the stability of the supply of raw materials. In past years, the importance of this was shown by the results that the critical price trend had for our national economy in the raw materials markets.

Through the development of the chemical industry in the 1960's and 1970's, we have given ourselves an initial basis for the manufacture of highly processed products. We have an assortment of chemical raw materials and intermediate products. It is now time to do more to develop the preconditions for the higher processing of these mass products.

On the one hand, it is a matter of modifying mass products—plastics and elastomers, for example—so that they obtain higher utility values. On the other hand, we are still inadequately utilizing the possibilities for separating from the resulting material mixtures and making optimum use of the valuable materials that arise in the mass processes.

We have sufficiently extensive chemical, materials-processing, and mechanical knowledge and methods to strive for such objectives. We can raise efficiency substantially through higher processing. To that end, however, we need advance not only scientific work but also the corresponding material-technical base.

## Preserving the Reproduction Capacity of Natural Resources and the Environment

To reduce the load on the environment, one often needs procedures for materials conversion. That is true for all areas, by no means just for the chemical industry and the power economy (which in this connection must be including in the processing industry).

Among other things, all waste products must increasingly meet ecological demands. Here it is not primarily a matter of being able to eliminate them without harm; much more appropriate is to require that waste products be used or reused. It is understandable that on a larger scale this task can be resolved only when it is considered in research and development as soon as one conceives of the application of materials and products.

To overcome our environmental problems, we need not only individual technical solutions but system solutions on a national economic scale. In the area of coal processing, for example, this will be the development of the gas industry.

The conservation of the natural environment should not merely be viewed as a question of technological expediency. The environment is a sphere in which we all move and one that includes far-reaching social aspects. The satisfaction of needs in the further developing socialist society must increasingly include the natural environment as an important factor. Living conditions must be developed just as the material-technical base.

## Rapid Renewal of the Product Assortment—Demands on the Input Materials

The rapid renewal of the assortment results in specific tasks for the processing industry. The high rates of renewal for end products—for which it is not just a matter of constantly new designs but of new and higher utility values—make it possible to apply new working principles. As a rule, these processes depend upon high renewal rates of input materials. Here under "input materials" we do not mean the raw material but a material that has already been subjected to higher processing and worked up for the specific application. Numerous working principles have generally been objectified in capital goods and high-quality consumer goods. The quality is no longer determined by one highly processed input material but by a larger number of different materials with different quality parameters. That not only increases the demands on the composition and thus on the quality of each input material; it is more and more frequently necessary to provide extensive product assortments.

Hence, we must develop new materials and discover possible new uses for known materials. That is above all a task for chemistry. For the processing industry, that means making these methods more flexible so as to be able to ensure the high dynamics of product renewal. That is especially valid for the chemistry of intermediate products, which continues to be the "turntable" of the materials economy.

"The intermediate products play the role of a mediator between the possibilities that raw materials present and the demands made by the final producers. The intermediate products are characterized by their diverse capacity for conversion and their applicability in the most varied manufacturing processes. Their production must develop especially dynamically. (4)

Price setting and marketing are being influenced more and more by the scientific-technical revolution and the increasing competition in the international markets. Only in the case of products with high utility values can the domestic expenditure be completely realized in foreign trade.

Slight reductions in the utility values or excessively high domestic expenditures mean that a substantial part of these expenditures cannot be realized in the world market. At the present time, the domestic expenditure for the earning of a mark in foreign exchange is too high; it must be reduced considerably through outstanding scientific-technical achievements in the product and the manufacturing technology.

The necessary expansion of the product palette is in opposition to the necessity of concentrating production in as few highly efficient product lines as possible. The contradiction between the necessary diversity of the materials supplied and concentration must be resolved in the socially most effective way. That requires variant comparisons that take into account the advantages of the division of labor in the CEMA and the other possibilities of foreign economic relations. We have reached a point where the economic and social effect of scientific-technical innovations depends more and more compellingly upon the fact (and how) that we participate in the international division of labor. That is especially true for the key technologies and their material economic bases. Higher processing and the implementation of key technologies require increased international cooperation in new quality.

## Key Technologies Require the Processing Industry

The new quality of the application of chemistry in our national economy is seen most clearly in the implementation of key technologies.

To make ourselves clear, let us define: higher processing is the production of new utility values that as parts of system solutions are components of further processing technologies and make it possible to achieve a new quality of the relationship utility value/expenditure through the combined effect science-technology-production-application.

In the national economy, higher processing must always lead to improved efficiency.

That can only succeed when in the development of materials one takes into account the complex context of the entire chain of effects. For the processing industry, that means: it must not merely offer the user products as possibilities of an incompletely defined utilization but from the start as components of technologies in production, application and reutilization processes. That puts high demands on the cooperation with industry. These tasks are now frequently being neglected irresponsibly.

One of these negative examples is the development of certain materials that are used in the production of microelectronic chips. In the case of special radiation resists, no user investigations were carried out, because the necessary testing and applications technology was not developed at the same time. In this way, basic knowledge becomes obsolete.

When one subjects materials to higher processing, that must take place quite consciously with the objective of having these products become parts of system solutions that prospectively influence the requirements of the entire chain and are oriented toward a growing overall national economic effectiveness.

This characteristic of the final products—as a component of the technology of complex process chains—calls for a close cooperation of all scientific institutions among themselves and with the combines of different production stages. It also requires cooperation among the combines. The practice of working together on requirements programs has proved to be false. Not delimitation and the simple demand for work results are necessary but the joint specialized fulfillment of tasks with the goal of complex solutions effective in the entire society.

Materials must be developed both by the manufacturer as well as the user in accordance with a uniform concept also based on agreement of the economic interests of the producer and user. Only by working in this manner can the technological requirements of the production stages through the final product be satisfied in an optimum manner.

In accordance with our current level of knowledge, this agreement of economic interests is best promoted through more expedient regulations in the area of price setting.

Numerous preconditions must be fulfilled for the rapid development of key technologies. They include a high level of the material-technical base—in part completely new technical equipment—that makes possible the use of new working principles and products with the chemical and physical qualities necessary for this technology. This shows the connection between the properties of materials and user technology.

One cannot achieve key technologies without products that are adequately processed chemically and physically.

An example for this is provided by optoelectronics and beam waveguide technology. With optical fiber cables, not only are substantial quantities of copper saved; they also make possible new and more efficient transmission technologies through substantially greater transmission speed and resistance to interference. But they require extraordinarily pure materials as the conducting material. Their purity is in the ppb-range, that is, only one atom out of billion may be a foreign atom.

Similar high demands are also being put on the polymers, which surround the extremely thin glass fibers in beam waveguide technology. They must:

—protect the beam waveguide against corrosion and mechanical damage

—protect it against mechanical damage

—stabilize it mechanically against local distortions

—have a high weathering resistance.

A single polymer cannot fulfill all of the named requirements. One can consider only polymers with high purity and homogeneity. With the exception of germanium tetrachloride, all input materials needed for the beam waveguide are produced from domestic raw materials.

In the case of beam waveguides of the second generation, the glass conductors provided with an elastic insulating layer are surrounded by a polymer tube filled with hard paraffin. This design also protects the beam waveguide cable against undesired local distortions that would increase the attenuation.

Key technologies always require a purity adequate to the application; but other qualities must also be adapted to the specific user technology—for example:

—the reactivity of the materials

—the grain spectrum of the finely dispersed solids or the crystalline structure

—the surface qualities.

Technology-specific materials are increasingly needed for key technologies; that applies both to a specific chemical composition as well as to a precisely defined physical state. For this reason, it is frequently necessary to include the last work stages of high processing in the manufacturing processes of the key technology, that is, to carry them out with the material user. A new development is seen here: the combines are including quality-determining supplies in their production program and thus securing their reproduction process. The production of the quality-determining material is closely linked to the processing technology.

The producers of highly processed materials can in principle also sell application know-how with the materials, for they develop the materials as parts of system solutions, outside of which they cannot be used efficiently.

The contributions of all those involved must without fail be made in the necessary quality and at the times agreed upon. Utility value and efficiency must increase. That is shown above all by the experiences in the world markets. The higher processing forces one to establish more clarity about the manner and scope in which social utility value and social expenditure arise in the course of the technological cycle. Especially important is the relating of the magnitudes of utility value and price through the rapid development of productivity and the rapid product turnover on an international scale.

In general, one can reasonably put the highest chemical and physical demands on an input material only when its qualities can be determined sufficiently accurately. Hence there is an increase in the importance of chemical analysis, the physical investigation of the material and measurement techniques in general. Here it is not just a matter of describing materials for a planned application; analytics and measurement techniques are also necessary to permit the control and optimization of manufacturing and processing.

But since with increasing higher processing above all for key technologies new applications arise and the rate of product renewal increases, the most efficient use of the analytical possibilities is one of the key tasks of chemical and physical research. The Ministry for University and Technical School Affairs and the GDR Academy of Sciences are taking this into account through the establishment of two analytical centers. These centers will be planned, financed, and operated jointly with the industrial partners.

The requirements resulting for the processing industry from the key technologies make it appropriate (in comparison with the tasks and evaluation standards in chemistry in past decades) to speak of a new quality in the application of chemistry. That is an objective process, as a look at the development of other countries verifies. Of extreme importance for the most efficient materials economy possible is the knowledge that highly processed products are indispensable for highly developed technologies and that without an efficient materials economy (especially without efficient chemical combines) the key technologies of the processing industry lack their necessary material basis.

## Technical and Economic Aspects of Low-Tonnage and Special Production

The manufacture of special chemical products is indispensable for the key technologies. In addition, such production brings technical and economic advantages that we have heretofore not been utilizing adequately. This is most clear in a comparison with the mass processes that until now have largely determined the picture of the use of chemistry.

The development and—as we emphasize more every year—the preservation of the mass processes require large investments and maintenance costs.

Mass processes are focal points of environmental stress. They make intensive use of raw materials and resources and put heavy demands on the infrastructure. That is especially true for transportation, the power economy, and the water supply. Through these processes, as the last two decades have shown, crisis movements in the prices of raw materials and energy sources can affect the national economy.

Finally, a general problem of the mass processes is that they must continually be adapted to changed structures of raw materials. We have already gone into these problems.

One of the peculiarities of the special products is that they guarantee economic growth through intensification. That is expressed in a substantially greater quantity of produced utility values per unit of input material.

Although often produced only in a scale of tons, kilograms, or even grams, they represent a very high utility value that as a rule is created through intelligence-intensive work and is not realized until the secondary processes. There is a shift in the cost shares; the share of the costs for raw materials thereby declines.

Because of the small volume of production (in comparison to mass processes), one can generally integrate special products in the infrastructure of existing production sites. To be sure, the initial outlay of funds per production unit is generally high for special products, but because of the substantially smaller volume of production, smaller absolute investments are needed than in the case of mass processes. In the processing industry, some special products can be produced with laboratory technologies. In the Institute for Chemical Technology of the Academy of Sciences, they are now working out a concept for laboratory pilot plants to be set up in accordance with the cellular construction model and conceived for industry as production sites for special products. That also makes it possible for the user combines to follow the already mentioned trend and to integrate processing stages in their production.

In our opinion, the production of special products need not always be associated with high outlays for equipment. Intelligence-intensive production is in many cases possible with a small one-time expenditure.

We should make greater use of these advantages of special products. Higher processing is a task faced not just by the processing industry. In all branches of industry, it is basically the most effective strategy to solve problems with raw materials and resources and to be successful in continuing our economic policy.

It demands closer and closer interdisciplinary cooperation among scientists as well as cooperation between different industry branches beyond combine boundaries.

We therefore also consider it futile to speculate on which individual science plays a leading role in the higher processing and implementation of key technologies. This discussion only means that less attention is paid to the indispensable cooperation.

We must pay more attention to the concept of complexity both within scientific work as well as in practical applications. That means: the joint work must take place

in accordance with the actual objective and temporal requirements of the intensification processes within the science and in the national economy, indeed with a view to the final product.

The tasks in the long-term concepts of basic research (under which work is already being done) have also been formulated under the aspects of higher processing. Thus the development of surface chemistry, analytics, interfacial chemistry, the basics of process engineering, and the application of microelectronics and computer science in materials-changing processes favored in the chemistry program are included in the program.

For the physics program, that involves, for example:

—tasks for a reliable method of operation and increased availability of large-scale industrial facilities in the chemical industry as well as in power plants

—the development of novel high-temperature and special materials as well as composite materials

—powder metallurgy

—technical ceramic materials

—higher processing of ferrous metallurgical products, especially through thermomechanical treatment

—beam waveguides for the transmission of information

—problems in surface treatment, especially with laser technological procedures.

The program of the social science research includes plans for the appropriate tasks for the economic sciences, among other things with the objective of:

—working out a theory for economic evaluation in the developed socialist society,

—taking into account the system effects of higher processing in its chain of action and

—realizing evaluation processes with the help of price setting.

The knowledge resulting from this work must be utilized immediately in the combines to develop the strategy of high processing further and to establish the plans accordingly.

### Footnotes

1. Version of a report to the plenum of the Academy of sciences on 26 March 1987 reworked for scientific progress.

2. Report of the SED Central Committee to the 11th Party Congress. Reporter: E. Honecker, Berlin, 1986, p 31.

3. The consequences also include contributions of the processing industry for the rational use of energy and for the better utilization of fossil sources of carbon. A subsequent article in this periodical will go into this.

4. G. Keil, E. Schmitz and G. Fiedrich: "Problems of Intermediate Products and the Development of the Chemical Industry" in BULLETIN DER STAENDIGEN KOMMISSION FUER CHEMISCHE INDUSTRIE DES RGW, No 3, Moscow, 1975, p 35 (in Russian).

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## POLAND

### 'Pewex' Head on Sales Plans, Black Market Rate

*26000014c Warsaw RYNKI ZAGRANICZNE in Polish 21 Aug 87 p 8*

[Interview with Maret Pietkiewicz, commercial director of Domestic Export Enterprise "Pewex" by Maciej Tekielski]

[Text] [Question] I suppose almost all readers of RYNKI ZAGRANICZNE are your customers and so they are personally interested in the results of a firm that, so it seems, is one of the foreign trade enterprises [phz] that is prospering well and has the greatest growth in income.

[Answer] First of all I'd like to note that the Domest Export Enterprise "Pewex" is under the Ministry of Domestic Trade and Services [MHWiU] and only indirectly under the Ministry of Foreign Trade. We do not claim to supply the entire domestic market with basic goods. We only want to supplement this supply. We estimate that customers in our stores represent 20 to 25 percent of the public.

Since 1985 market growth has exceeded 20 percent annually. In 1986 our sales increased by 26 percent over 1985 and totalled $370 million. This year, as is apparent from the results of the first 6 months, we will surely exceed $400 million.

[Question] What is the product distribution of your sales? I would suppose that domestic alcohol has the biggest share and audio-video equipment the biggest rate of increase.

[Answer] That is correct, except that this year audio-video equipment will probably outdistance alcohol in its share of sales as well and beccome the leading group of products. Sales of domestic alcohol are on the order of $100 million, while sales of audio-video equipment will probably amount to about $110 million, which will mean an increase of 2.5 times over 1986.

Other leading items are textiles, clothing and knit goods ($60-$70 million), food articles, cigarettes, condiments and foreign liquor (about $100 million) and various other items such as lighters, photographic and fishing equipment, cosmetics, housewares and automotive equipment (a total of about $20-$30 million).

[Question] What about the share of general revenues of imported services of individual craftsmen?

[Answer] That is still of secondary importance in our activity because revenues are on the order of $1.5 million.

[Question] is this distribution of sales a reflection of demand or the result of a deliberate policy? My point is that you did mention such groups of items as sporting goods, for example. Does "Pewex" plan to expand the range of good supplied to our market or concentrate on tried and tested items?

[Answer] We plan to move in both directions. On one hand, we have to make money. After all, we turn over 20 percent of our receipts to the Finance Ministry and 35 percent to MHWiU. Today we wearn the most on video, so we will sell a lot of video cassette recorders, televisions and video cassettes. We also make money on alcohol and come out well on denim, e.g., jeans-type items.

But we are also not abandoning new areas that do not bring us much income, especially at the start. Sporting goods might be an example. We have started to sell skiing and tennis articles. It is going well, but not sensationally. We will be developing this. But appropriate conditions for marketing and exposure are needed. Skis, for instance, cannot be placed on shelves. This requires adequate space as well as conducting an advertising campaign, promotional sales, etc. To put it briefly, we need posters, brochures and a nice, big store suited to it.

If we were to compare revenues from such a sporting goods store with the income that alcohol and video sales bring, the economic choice would be obvious. But I would emphasize again that we do not intend to give up on expanding and enriching the range of goods offered.

We also plan to open our first boutique in the "Victoria" Hotel in Warsaw on 1 September. This will be a mini trade center. On one side there will be a Phillip Morris shop where one can buy cigarettes, condiments, alcohol and small souvenirs, and on the other side will be the boutique, mainly for women, but there will also be something for men. The point is that after a successful purchase of a dress for your wife, you will be able to buy some "Napoleon" for yourself and a chocolate bar for your child.

As regards new items, as you already wrote in your report on the Poznan International Fair, this year Santa Claus is suggesting video cassette recorders with digital readout that permit full copying clarity and 10-cassette tape recorders. And as far as new stock items are concerned, we are introducing hunting weapons, furs and men's silk suits.

[Question] "Pewex" closed a number of its stores in small towns, resort areas, for instance. What is the company's policy in this regard?

[Answer] Generally our policy is based on opening large stores in large centers. We have a total of 700 of them. We do not want to abandon our shops in smaller centers, but recently the local authorities have been giving us notice about these small shops. This is tied to problems with the bank, for example, which has to collect the daily receipts. There is the problem of transport and guards for a store located on the periphery and securing it properly. And if alcohol is available in such a store, the local authorities also look on it unfavorably.

Over the long term the solution will be to build our own stores. Right now three supermarket-type buildings have been erected, in Katowice, Wroclaw and Poznan. We have about 10 such investments in our plan.

[Question] Foreign trade enterprises are currently involved in seeking partners for joint ventures. Is "Pewex" taking any steps in this area?

[Answer] We are not carrying on discussions on establishing partnerships with foreign participants in Poland. But we are involved in negotiations to establish manufacturing and trade partnerships in Hong Kong with several Polish phzs. We have thereby assured ourselves of a supply of clothing sewn in the Far East directly to our stores. On the other hand, this partnership would be involved with bringing from Poland a typical variety of other Polish partners.

[Question] Economic indicators show that competition from "Baltona," for example, has not done you much harm thus far. But various other firms are obtaining licenses for similar activity. How does a near monopolist adapt to this situation?

[Answer] Indeed, competition has intensified. "Baltona" is beginning to be a rival to us and others are joining in. I could name, for example, the firm "Inex," which has been in operation recently in Warsaw. At its shop on Marchlewski Street, it seels fabric in volume, as it is called. The firm is doing very well. With a purchase of more than 1,350 German marks, it gives a 25 percent rebate and so it is suited to craftsmen who make major purchases there. And that is good, because the customers get the benefit from it.

Competition is certainly necessary. A monopoly is nice, like a comfortable chair where one can take a nap. But the moment competition comes along, when various enterprises receive licenses to import consumer goods

(and a score or so enterprises have received them), that is a kind of threat to us and we have to look for new stocks, new prices and new means of selling.

[Question] But the prices at "Pewex" surely are a kind of official price, set by the firm through state bodies?

[Answer] That is not true. The prices at "Pewex" are set exclusively by "Pewex." They are suggested by the merchants, confirmed by department heads and office directors, accepted by the commercial director, with whom you are speaking, and ratified by the chief director. And that is the end of it.

[Question] But surely that does not apply to domestic alcohol. The plan for strengthening the zloty provides for a policy contributing to the reduction of the black-market dollar rate through a considerable increase in prices for domestic alcohol for domestic export.

[Answer] This issue has two sides. The black-market rate does not depend solely on the price of alcohol at "Pewex." We have to tell ourselves clearly that the rate depends on the purchasing power of the zloty, and this in turn is comprised of many elements—the prices of all article sold at "Pewex," for example, and market and market and foreign currency prices for automobiles.

The other side is a decision on the question of whether or not we care if $100 million has gone into the state treasury. If we institute a price of say $2 for a bottle of vodka, no one will buy it. We can always give up that $100 million on behalf of various noble sentiments. It is a matter of choice.

[Question] It seems you are exaggerating a little. Of that $100 million, $80 or $90 million goes for other goods in domestic export and thereby still to the state treasury. Yet selling alcohol at a price equal to an inflated black-market rate, even if it does not move the rate upward, surely interferes with lowering it.

[Answer] I am not at all sure that this money goes to "Pewex" stores. And I repeat once again: attributing the high black-market rate to vodka is an unacceptable oversimplification of this phenomenon.

[Question] A few months ago, "Pewex" came out with a very interesting initiative of "superseding" the black market, e.g., assuming the purchase of foreign currency and coupons and selling coupons for zloty at free market prices. What is the fate of that initiative, which no doubt encountered a warm reception from both the government and the public?

[Answer] The proposal was actually made in April of this year. But the matter of exchanging foreign currency for zloty is not that simple. It is being studied by the Finance Ministry, the MHWiU and a government committee which, in accordance with the program of the president of the Polish National Bank, is examining the issue from the government point of view.

On the other hand, we in the enterprise are considering the practical aspects of this system's operation and it is a hard task from the technical side. So it should be no surprise that making the decision takes so much time. In a television interview I said that I believe it will occur this year. I would add that this will be dictated by need and appropriateness.

[Question] Thank you for the interview.

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## Failing Brickyard Put Up for Sale

*26000014a Olsztyn GAZETA OLSZTYNSKA in Polish 8 Sep 87 pp 1,3*

[Text] The Olsztyn Architectural Ceramics Enterprise [OPCB] brickyard "Karolin" has been put up for sale. The asking price has been set at 82.2 million zloty. The newspaper advertisement noted that legtimate and proximate persons—citizens of the PRL—may buy the brickyard.

Why has OPCB management decided to sell the brickyard? The answer is simple and it was provided by members of a committee appointed by the OPCB director to undertake a detailed evaluation of the "Karolin" ceramics plant's activity. The brickyard is producing ever greater losses. Im just five months of this year, losses totaled 6,003,000 zloty. Although major price increases for ceramics products have been carried out since 1 July, in the case of "Karolin" they have not eliminated the deficit, yet further price increases for fuel and energy can be expected. Meanwhile, at "Karolin" production is the most fuel and energy intensive compared to OPCB's other brickyards. As a result, the cost of producing one brick at "Karolin" comes to 32.55 zloty, compared to 22.77 zloty at the Sagnita brickyard, for example. At the same time, for years "Karolin" has not reached its production capacity, which amounts to 2.7 million bricks. In 1983, 2,263,000 bricks were manufactured; a year later, 2,553,000; in 1985, 2,304,000; last year, 2,560,000; in the first half of this year, 1.1 millioon and in the second half most likely only 1.2 million. The quality of the bricks is also growing worse.

But it is hard to blame only brickyard employees for these production figures. Working conditions are unusually difficult; dust levels exceed binding standards by 1.6 to 2.5 times. Basic machines have also been in use for 9 to 7 years and utilization reaches up to 80 percent. As regards raw materials, those used now are of lower quality.

Thus for OPCB there is no economically justifiable reason to keep the brickyard, although the market for bricks is unlimited.

The sale was to take place on 7 September but did not because of a lack of prospective buyers.

"What happens now?" I asked manager Eligiusz Klemm, OPCB's assistant director for commercial affairs.

"First, I would like to say that a person from Warsaw took an interest in this matter."

"But he did not come to the sale and so has apparently backed out?"

"Most likely we will rerun our advertisement and if there are no buyers, we will close down the plant."

"And the employees?"

"We have other jobs for them already."

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# CZECHOSLOVAKIA

## Population Growth Surveyed, Forecast

*24000377 Prague UCITELSKE NOVINY in Czech 2 Jul 87 p 9*

[Article by Eng Alena Kroupova]

[Text] Notwithstanding the endeavors to regulate birthrate in the most populous countries, we have to reckon with the fact that, at the beginning of the 21st century, the world's population will approach 10 billion. And only in the years to follow should the speed of the population growth in world's most populated countries slow down.

The economic and social development and the hierarchy of cultural values connected with it, as well as an improved education level, will lead to reduced birthrate. At the same time, only countries oriented to social and economic progress will be capable of actually solving these eminently important problems.

Already, at present, the above-mentioned rules are being proved by the course of population growth in European socialist countries, where the population policy is based on equal rights for all citizens, abolition of discrimination against social or national groups, an assured right to work, intensive overall social and economic development, constant improvement of health care and a higher education level, and the possibility for parents to freely decide how many children they want to have and when they want to have them. This approach is reflected in the constant rise of living standards of the population; important also are the national measures ensuring comprehensive social security for citizens unable to participate in the working process, especially for families with children and elderly or invalid citizens.

The population growth in Czechoslovakia remains basically more favorable than in the equally economically developed countries. After a temporary population decrease after the war, the number of inhabitants in Czechoslovakia started to grow rapidly. In 1947, Czechoslovakia had 12,164,000 inhabitants (the lowest number on its territory since 1900); in 1955 already 14 million people lived in the CSSR. In 1974, the highest number of inhabitants reached in the prewar period was exceeded, and the year 1977 saw the celebration of the birth of the 15 millionth citizen of socialist Czechoslovakia.

In the above-mentioned period, the population of Slovakia grew particularly fast. In 1945, it represented 24.4 percent of the entire Czechoslovak population, while in 1984, it surpassed the 5.1 million mark, representing 33.2 percent of the population of the entire Federation. It should be taken into consideration that the population situation in Czechoslovakia after 1945 was strongly influenced by the age structure deformations, resulting from the birthrate fluctuations during the First World War, its increase in times of economic boom, and decrease during the economic crisis of the 1930's and the period of political and economic decline of the bourgeois system in the last prewar years.

As a result of these deformations, the population development in Czechoslovakia in the post-World War II years was unbalanced. Because of the influence of irregular age structure, at various periods there was a considerable difference in the numbers of women of childbearing age—a decisive factor of the reproduction potential of a country. This fluctuation, together with the then prevailing population climate, caused considerable ups and downs in the birthrate.

On the whole, there is a continuing tendency to a diminishing birthrate, similar to that in most of the economically developed countries. In many of these countries, however, the birthrate became so low that it does not even assure a simple reproduction of the inhabitants. The present birthrate in the CSSR attained in 1984 14.4 live births per 1,000 inhabitants (in the CSR 13.2, in the SSR 17.2 live births per 1,000 inhabitants). During the same period, there were 11.9 live births per 1,000 inhabitants in the HPR, 13.6 in the BPR, and 19.0 in the USSR. In the West European countries, live births fluctuated from 9.7 in the FRG to 13.6 in France and Greece. At present, only the USSR, PPR, Yugoslavia, and Ireland have a higher birthrate than the CSSR.

In view of the fact that the birthrate in Czechoslovakia depends strongly on the number of women between the ages of 20 to 25—and this number will further decline in the next few years—it is estimated that also during the Eighth 5-Year Plan the birthrate will continue to decline. In the mid-1990's, a more pronounced birthrate increase can be expected because the strong population growth of the age brackets from the mid-1970's will then reach the highest fertility age.

Aside from birthrate, natural population growth is influenced by the general mortality level. In the postwar period, particularly in the 1950's, mortality in Czechoslovakia diminished considerably. During a relatively short period of time from 1945 to the end of the 1950's, the democratization of health care and the use of modern medical methods enabled the mortality rate to be lowered from 100 to 25 per 1,000 live born children during their first year. Mortality caused by infections and several other diseases was considerably lowered as well. Tuberculosis and polio were practically eradicated. The median life span in both federal republics was leveled and continued to increase until it reached the maximum (for men) in the mid-1960's. After that, however, it stagnated and stayed basically the same until now.

Rather unfavorable lately is the development of the average age of men, reaching about 67 at present—that is, almost a year less than during the peak period of the mid-1960's. The average age of women shows a slight increase as compared with the 1960's and reaches at present almost 74.5 years. But it does not compare

favorably with the development in the rest of Europe, either. The general mortality rate is about 12 deaths per 1,000 inhabitants, which corresponds basically to the mortality rate in most of the economically developed European countries with a similar age structure of the population.

Although the favorable development of infant and newborn mortality has slowed down somewhat lately, we have, nevertheless, by concentrated medical efforts, reached the lowest level ever in our country. In 1984, for instance, for 1,000 live births, 15.2 infants died during the first year, and 10.4 of the deaths occurred within the first 28 days. The Czechoslovak health programs geared to the care of pregnant women and infants assure a constant decrease of infant mortality.

Aside from the already-mentioned basic processes, further tendencies asserting themselves in the present population growth may influence it in the future as well. Most pertinent among these tendencies is the steadily increasing divorce rate; 20 percent of marriages from 3 to 5 years, and 20 percent of those from 6 to 10 years, end in divorce.

To prepare the basic directions of the socioeconomic development, it is necessary to know the anticipated population growth. Important for its long- range forecast are demographic tendencies, age structure of the population, and cognizance of health programs that can favorably influence mortality and birthrates.

As a result of the uneven age structure, the proportion of the decisive age groups of the Czechoslovak population will undergo in the future considerable changes in the relatively short period of 10 to 15 years. Before the year 2000, a marked aging of the entire population will appear, because the ratio of children under the age of 15 will diminish from the present approximately 24 percent to 20 percent, while the ratio of inhabitants of productive age (men 15-60 years, women 15-55 years) should increase from 57 percent to almost 61 percent. The ratio of retired people should in principle remain unchanged.

Already in the next 20 years, however, there should obviously be an important reversal in the Czechoslovak population's structure, as it has to be reckoned with that within this period the number of retirement age inhabitants would moderately exceed the number of the juvenile population, while, at the same time, the average age of the productive population should increase as well.

One of the fundamental conditions of a favorable social and economic development of a country is the prevalence of inhabitants of productive age in the entire population. From this point of view, the natural population growth of the CSSR until the year 2020 appears as favorable. However, the already- mentioned continual aging of the population even after that date will create a new situation for any further economic and social development, and we should already now be concerned with it.

In accordance with the principal rules on public welfare in socialist society, the goal of the Czechoslovak population policy is to create optimal conditions for family planning—people should have the possibility to decide how many children they wish to have and when—and to ensure a healthy physical and mental development for all children. At the same time, the state of health and the educational level, as well as the social and professional structure of the entire population, should be constantly improved, in as good and health- friendly life and work environment as possible.

The increase in the overall number of the Czechoslovak population is neither a goal nor a condition, but in certain periods only an accompanying development phenomenon, which should create prerequisites for a modification of age structure irregularity and at the same time prove the constant improvement of the population's health conditions. The creation of favorable economic life conditions for families with children, together with influencing ideologically the whole society in the spirit of the principles of socialist morality of enhancing family stability, to create strong, durable marriage relationships and responsible parenthood, has an immense significance for the needed slowing down of the fertility rate decline.

The above-mentioned possibilities of influencing the population development by economic and ideological stimuli are in harmony with the principles of socialist society. There is no need to fear, therefore, that, despite the referred-to problems, Czechoslovakia would have to face such a significant population growth decline as is expected in the near future in most of the West European countries.

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## Population Growth Projections Seen as Unfavorable

*24000394 Prague TVORBA in Czech 15 Jul 87 p 5*

[Article by Jiri Mekota: "Cruel Mirror"]

[Text] Some days ago the Czech Bureau of Statistics released a study of the projected population growth of the Czech nation up to the year 2010. The numbers are not very favorable or comforting. The growth of the population has been slowing down already for several years, and its age structure worsening. All the more reason then to study these numbers, think about them, and look for ways to change the current trends.

To begin with, there has been a gradual decline in the number of births. Compared to 1974 when there were 194,000 births, their numbers have declined by one-third in 15 years. There were 133,305 births last year, a number which merely assures the preservation of the nation.

The numbers, as published by the statisticians, reveal more about lifestyle than the most thorough research and psychological probing. The ideal of most women entering into marriage is to have two children. The latest research on family planning shows that 12 percent of young married women wish to have one child, 72 percent want two children, 13 percent three children, and the remaining less than 3 percent wish to have more children. This amounts to an average of 2.07 children per family. In practice, these wishes are realized by a growing number of abortions performed on married women, particularly those who already have two children. Pregnancies of married women with two children as a rule end in abortion. The ratio is 2.5 abortions to one child carried to term.

In general, there are relatively many miscarriages. There were 100,000 miscarriages reported during the past 2 years, of which 83,000 were abortions on demand. It shows, among other things, that contraceptives are not used adequately.

The number, 133,000 births, alone should should make us uneasy, even if it were not accompanied by other unfavorable phenomena. And one such unfavorable phenomenon is the fact that children are, to a considerable extent, born to women who are too young, very often to those whose marriages are not yet stable, they are born to families which have not yet gone through their first marital crisis, still are not financially self-sufficient, are economically unstable and emotionally immature. As a consequence, the child, instead of strengthening the marital bond contributes to a divorce. The marriage then breaks up before the planned second or third child can be born, and thus the overall marital fertility is lower than young people plan before entering into marriage. Moreover, the fertility of married women is for the most part concentrated within the relatively narrow range between the ages of 18 to 27 years. The result is an average birthrate of 1.8 child per family. The total number of births is then complemented by 10,000 children born out of wedlock, mostly to women in the 24-to-29 age group. In the North Bohemian region, every 8th child is born illegitimate, in the South Bohemian region, every 21st.

The population of a country does not depend solely on the number of births, but also on the average lifespan of the population, or, in statisticians' terms, the death rate. Even here the numbers are unrelenting: in Bohemia the death rate is relatively high, particularly among men of middle and advanced age. Whereas the death rate among women in the 50 and over age group has declined somewhat compared to the 1960's, the death rate among men in the 35 and over age group actually increased. So that while men die a month earlier on the average, women reach an age higher by 1.3 years then in 1960. On the average, women here live 7 years longer than men. Even so, the average age of 67.5 years for men and 74.7 for women is relatively low and unsatisfactory. The cause of the stagnating growth in life expectancy is plainly not hunger or poverty; on the contrary, one of the causes is overeating and lack of exercise, which can be deduced from the fact that 56 percent of the deaths are caused by cardiovascular diseases. The ancient scourge of humanity—infectious diseases—has practically disappeared as a cause of death, accounting for only half a percent.

And what is the outlook? Statisticians predict that the stagnation will continue until 1990. According to their estimate, there will be 132,700 children born each year, and 132,000 people will die. During the 1991-2000 decade they project a moderate decline in the death rate and a relatively high increase in births, to as many as 153,000 each year. This will occur because women born between 1973 and 1979 will then be reaching maturity. From 2001 to 2010 they again expect a decline in the number of births, even below the numbers reached in 1986 and 1987. The population should increase between 1991 and 1995 by about 21,000, and between 1996 and 2000 by 16,000 a year, and after that the population is expected to not only stagnate but to decline, because of the lower number of people reaching maturity.

The numbers are holding up a mirror to us, and we should not therefore be angry at them. They are pointing out to us where our weaknesses are. They are pointing out that a considerable part of our population has ceased to consider children to be the most valuable thing in their lives, that children, instead of being the meaning, the happiness and the joy of life, are relegated to second or third place on the scale of values and sometimes are merely a burden to be endured. The numbers also remind us that not only the family but society as well does not defer to children. Just notice how children are always "in the way," what unwelcome guests they are in transportation and recreational facilities, how difficult it is to find teachers for them, or leaders of pioneer cadres, technical and natural history groups and clubs, how investors, architects and builders give them little thought when designing and building housing developments.

The statistics also show that we do not live the way we should even as adults. We know that we should engage in sports, eat in moderation, take care of our body, our mind, our environment.

In our everyday life we tend to forget many good rules and resolutions.

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**END**