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# ***JPRS Report***

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# **East Europe**

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# East Europe

JPRS-EER-87-146

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## CZECHOSLOVAKIA

### **Environmental Protection Programs Assessed** *24000398 Prague HOSPODARSKE NOVINY in Czech* *14 Aug 87 pp 1, 4*

[Article by Rudolf Hegenbart, Doctor of Natural Sciences, vice chairman of the CSR Government and chairman of the Czech Commission for R&D and Investment Development: "Benevolence Must End"]

[Text] The 17th CPCZ Congress identified the enhancement and protection of the environment as a key issue in improving the standard of living, as a fundamental national priority underlying all social, political, economic, and R&D activities. This attests to the great importance of ecological problems.

Environmental improvement and protection is an exceptionally complex and important task, the implications of which have not yet been fully appreciated or understood. Measures that have been taken to date have not resulted in any significant improvement in the environment of the CSR. Critical tasks are not being done, and training and information dissemination programs have not succeeded in developing an attitude supportive of compliance with existing legal regulations or technical discipline. In significant portions of the CSR a critical situation exists in air quality, water purity, and in the condition of soils and forests. Waste emissions have reached a scale at which neither the regenerative capabilities of nature nor the health of the general public can tolerate any more stress.

Damages to the environment of the CSR from pollution are valued in the billions. In the Seventh 5-Year Plan, for instance, sulfur oxide emissions alone accounted for Kcs 6 billion in damages annually to agricultural and forest products, and corrosion of machinery and buildings.

This situation has developed because of a deformation in the relationships between the economy and ecological conditions. Current conditions make it imperative to increase the educational and political\*organizational work of critical agencies, and to mobilize responsible personnel at all levels of management. We need to enforce greater discipline and personal accountability for implementing party policy, and to demand greater professionalism in qualifications, activities, and decision-making in both the production and non-production spheres.

Isolated programs, however effective, are not sufficient. The basis for an environmental program must be structural changes in our economy, a comprehensive shift to intensive forms of production using modern technologies that conserve raw materials, energy, and all natural and human resources.

These questions were addressed by the Fifth CPCZ Central Committee Plenum. Criticism was levelled at those enterprises that ignore or do not pay enough attention to the impact of their production activities on the environment. They were at the same time directed to step up their efforts to resolve technical issues and to develop the requisite conditions for their implementation.

Organizational structures must also be adapted to pressing environmental issues, so that management procedures take account of environmental problems. When discussing solutions to environmental problems we must pay much greater attention than previously to the specific conditions of the CSR. The same must be true on a national level. In the case of the CSR, the greatest sources of pollution are located unevenly. The strategy for environmental enhancement and protection in the CSR through the year 2000 calls for capital projects related to water, air quality, soil production, and waste utilization, valued at Kcs 50 billion. This covers major projects only, and even this amount does not deal adequately with the level of pollution currently existing in the CSR, nor does it meet the need for eliminating exceptions totally.

The CSR Government has adopted a Program for Environmental Protection, 1987-1990. It is a comprehensive document. Critical environmental investments are linked to programs for the most heavily affected areas. Some 15 environmental projects will be initiated for Prague, 12 for the Krusne mountain foothill region, and 18 for the Ostrava-Karvina agglomeration. For the CSR as a whole, plans call for beginning construction projects related to the environmental program valued at Kcs 14 billion. This involves 91 facilities for water quality protection, 51 projects related to air quality, and 12 facilities for the use and elimination of wastes. At the same time all the environmental projects carried over from the Seventh 5-Year Plan will be completed. This represents a backlog of some Kcs 3.2 billion. Clearly this is a major task, and should receive top priority.

We recommended that the implementation plan for the environmental program be included in the draft law concerning the enterprise. Specifying enterprise responsibility for maintaining environmental quality must be accompanied by the requirement of instituting measures and monitoring compliance with them. On the model of Soviet legislative documents we have proposed that any operations that seriously damage the environment be closed down. Our intention is to pay more than mere lip service to this requirement as well. The Czech Technical Inspectorate for Air Quality and the State Water Resource Management Inspectorate are currently working on programs governing the closing down or relocation of operations that play a significant role in air or water pollution. We plan to evaluate these programs from both an economic and environmental perspective, then submit them to the government, and perhaps use them to expand the machine building capacities of Czech industry.

These are unusual measures, but essential ones given the needs of our society. The need for an effective program of environmental protection must become a priority interest of senior enterprise managers, officials or national committees, industrial sectors and the government, as well as of the public organizations of the National Front.

It is time to thoroughly rethink the developmental objectives of enterprises, their modernization and rebuilding plans. Enterprises must not forget to include plans for necessary environmental protection equipment and remember that their investment plan is not complete until it includes plans for waste capture and recycling. Any subsequent rectification of damages is more expensive, and usually does not achieve the expected result, making it detrimental to society as a whole.

Because they have full responsibility for making decisions on environmental quality, national committees have an important role in resolving environmental issues. One of their most important tasks is the directing and coordination of the interests of the individual sectors and enterprises operating in their jurisdictions. National committees, however, do not always give top priority to the public interest. They make inadequate use of existing laws and other generally valid legal regulations. In many instances they even knuckle under to pressure from sectors, large enterprises and do not assert their authority when they should.

Take, for example, the area of water resource management and waste water purification. On a percentage basis the largest water polluters today in the CSR are urban agglomerations, which account for 65 percent of all water pollution. This percentage has been on the increase; 10 years ago it was only 50 percent. So one must pose the question: what role should national committees be playing here? Why is it that housing construction has not been accompanied by the requisite number of waste water treatment facilities? How is it possible that national committees would in many instances not impose economic penalties and reduce the penalties that they do impose to a point where they lose their effectiveness? Statistics show that the amount of the penalties levied by national committees come nowhere near to corresponding to the seriousness and the consequences for our society of water pollution.

National committees are currently requesting 178 variances from the requirement to build water purification facilities. Only 116 of these projects will even be started in the Eighth 5-Year Plan. Fully 62 of the applications involve projects that have been postponed until the Ninth 5-Year Plan. The granting of variances is linked to housing construction. The argument runs that if the government does not grant these 62 variances then it will be impossible to build 33,000 apartments in key industrial centers. How can this be an argument? What can be

more important for a socialist society than concern for the health of its citizens? We need to find other solutions and mobilize additional resources.

Between 1978 and 1980 the CSR Government granted 2,150 variances from the provisions of the water quality law for the discharge of waste water, on the condition that by 1985 these variances would expire. An inspection showed, however, that fully 1,506 of these cases were not yet in full compliance with the law, a delinquency rate of 76 percent. This shows a formalistic, irresponsible attitude on the part of water resource management agencies and national committees to the fulfillment of their responsibilities. We cannot remain satisfied with this state of affairs. We intend to take more decisive actions against this benevolent attitude of national committees toward proposals for the levying of penalties and fines on individual organizations. The same will be true of our approach to those national committees that choose to reduce the fines levied by the State Water Resource Management Inspectorate.

This is not a matter only of penalties. There are also problems with capital asset maintenance at kraj level water main and sewerage authorities. The government has established the principle that at least 1.3 percent of the value of these components of the infrastructure must be set aside annually for maintenance purposes. Analyses have shown, however, that nationwide expenditures on sewer maintenance are running at only 0.82 percent of system value, and in Prague at only 0.76 percent of system value, but there is still a shortage of Kcs 300 million to cover this outlay, i.e., 36 percent of the total requirement.

We have also been unsuccessful in fulfilling projected work loads for the assembly and maintenance divisions of water resource management authorities. In 1986, for instance, only 72 percent of all planned assembly and maintenance tasks were actually performed on sewer systems and water mains. As a result water loss from water main networks has reached an average of 23 percent nationwide. This is the case even in some areas that must bring water resources from other locations, and where there already is a significant shortage of potable water. National committees must implement well thought out plans to deal with this problem, and must accompany them with both public information campaigns and improved monitoring activities to assure compliance.

We must implement significant measures to deal with this situation. These must cover water conservation, minimizing water pollution, improving the quality and responsibility of inspections of production facilities that deal with substances that might threaten ground water quality, and the monitoring of compliance with Czechoslovak national water protection standards. We need to speed up the construction of waste water purification facilities under Project Z, and work to include exceptions under the environmental program, so that they can

be eliminated. Furthermore, eliminating water pollution must become a firm condition of granting building permits for housing construction, the conditions must be developed to increase the volume of repairs to water resource management capital facilities and equipment, and more decisive steps must be taken regarding penalties for violating legal responsibilities.

The situation in air quality protection is also complicated. Here as well national committees are not taking full advantage of economic regulations, such as Law No 35/1987 and other regulations against air polluters. The personnel available to the national committees to administer air pollution regulations have neither the numbers nor the professional qualifications to deal with the complexity and magnitude of this task. Responsibility for monitoring compliance has not been delegated to lower national committee levels, with the result that in some urban national committees no monitoring of compliance with air pollution regulations takes place at all.

There is no alternative to fulfilling the tasks set by party and governmental agencies. Public health is a fundamental value of life in a socialist society. It is a responsibility of all agencies and organizations, of each and every one of us. Without improvements to the environment effort to make R&D more effective and thereby to improve economic and social progress will only fulfill half of their goal. We can no longer postpone making an accommodation between the growth rate of production, numerous other nonproduction activities, and the resolution of environmental problems. The current situation requires an uncompromising attitude at all levels of management and the more rapid implementation of those results of R&D that will facilitate structural changes in the economy of the CSR.

9276

**Writer Calls for Moral Responsibility**  
*24000397 Prague TVORBA/KMEN in Czech 12 Aug 87*  
*pp 1, 2*

[Speech in discussion at the 3d Congress of the Association of Czechoslovak Writers by Jiri Krenek: "The Fish Will Not Say It for Us"]

[Text] The current system of national economic management (let us hope, soon to be referred to as the "expired" system) is to blame for a number of things, but it did teach us one lesson exceedingly well. We have turned into all-purpose persons and expanded our know-how to various areas. We may be the only country in the world where an author can mix concrete better than any bricklayer, where a concert violinist is so adept at making headcheese that he could give instructions to any meat-processing enterprise, where... etc; we can substitute the "etc" with our own experience.

Moreover, we have learned a way to distrust in the extreme many things seriously presented for us to accept on faith. Frequent confrontations of facts have grievously reminded us that even our respect for the printed word has its limits. Nonetheless, we are well-mannered and do not protest too much. We read in RUDE PRAVO an interview with the general manager of the Tuzex foreign trade enterprise, from which we learn that its stores are receiving priority deliveries of luxury goods made in the West, but the next day, if we are fortunate enough to have in our possession some of those miraculous Tuzex certificates, we may purchase in the aforementioned stores lentils from Bratislava, hard-pack Sparta cigarettes from Kutna Hora, or domestic rum from the Fruta in Brno. We are tolerant people. Once upon a time, when writers still used to write for newspapers (and furthermore, when they had their own newspapers), a classic author got irritated that envelopes could not be sealed and that twine would break. He remarked that this was not just a matter of envelopes, but rather of the feeling of citizens' trust in a country where such things could go on with impunity. As for us, we are much more composed because we know what to do. We smear our envelopes with glue and instead of twine, we use scotch tape. Anyway, we are no longer surprised that individuals who determine the artistic quality of our post stamps prefer pink colors, as we have read in RUDE PRAVO. We simply accept the information by the director of the AZNP [Automobile Works, national enterprise] at its face value when he says that our Skoda cars are exactly the same as the models exported west of our borders, and we are not in the least upset when the workers of the syndicate under his management prove that, euphemistically speaking, he must be suffering from a loss of memory. We simply shrug our shoulders and because everything goes better with a smile, we read instead a funny story about deputy Puskundprdle who seduced director Cukrhable's secretary; just in case, we save our smile for later on, possibly for the time when we have to stand in line and wait for Pullman tickets. As a matter of fact, everything is just fine with those tickets as well, as the general director of CEDOK [Czechoslovak travel bureau] jovially explained at a TV news conference, using such metaphors as, for example, when cabbage is in short supply, its distribution is of little consequence. After all, even without press conferences we have known for a long time that this is precisely a lesson on how to find some excuse for practically anything, just as we know that there are experts for whom it is child's play to create more problems out of surfeit than out of shortage. On the whole, we know a lot; we even know that directors can be replaced but garlic cannot. Well, so what? At least Vladimir Divis offers this kind of explanation with a little smile.

Indeed, we are polite, we do not act naughty like our colleagues the journalists at press conferences. We got used to the fact that natural human attitudes to issues and values look suspicious and that expressions have lost

their meaning. Poplar trees turned into "timber material," meadows into a "fodder base," a sparrow sings like a nightingale. All this may be irrelevant. The main thing is to save our skin in any situation, and when in a jam, to lie, so to say, all the way to safety. That word follows us faithfully like our own guilty conscience.

This is no longer very funny. It may take us a while to learn how to use simple declarative sentences. Sidewalks are slippery. A tree is dead. A man dies. It will not be so easy to give words their meaning back. It is a strange paradox. We have invented words to use them in order to understand one another, but in fact, the opposite is true. Forgive me, but occasionally I can see a certain parallel with our federal union. Obviously, we have established it in order to get closer and better acquainted. In the end, this goal has been achieved. Let every esteemed delegate judge for himself how well we succeeded.

In the beginning I could talk about our literature and present a considerable amount of examples of our success. Five years of our life have passed between our two congresses. We have written some books that are good and some that are not so good. Whatever we have done was done in good faith, and that is nothing to sneeze at. We see the main purpose of our activities in doing more good; or else we can tell a couple of guaranteed authentic stories, pat one another on the back, and wish everyone the best of health. This I think would be very little, if we want to consider ourselves writers.

And so I am coming back to the same issues I was boring you with at the beginning. It was my intention not to choose any examples from our experiences as writers, as they had already been discussed here. All I presented, or tried to present, was a handful of small pebbles from a mosaic, a few drops of that peculiar narcotic that transports us into a particularly dissociative trance resulting in egotism, disinterest in public affairs, and unwillingness to change the world for the better and to participate in that transformation. Who else but an author should sound the alarm? The fish [reference to fish: something that cannot speak will not act as one's mouthpiece] cannot do it for us; anyway, sometimes it seems to me that if we were fish, we would insist that we can exist without water, having lived, after all, nearly 20 years without a literary weekly.

Some time ago I met at the post office in Brno a little old lady with weak eyes. She looked like a schoolteacher who once used to teach kids nursery rhymes and to read to them Bozena Nemcova's fairy tales. She is now retired, or as they say nowadays, enjoying her well-deserved rest. Because electricity in her apartment was out, she was trying to find a number in the telephone book in order to call a fellow with a toolbox who could deal with such a problem. And because, strangely enough, compassion and simple human empathy can still pull at our heartstrings, in no time several of us were trying to assist her. This was during the housing management's office hours,

but we met with total failure, and I realized how profoundly wrong were my illusions about some kind of a renaissance man who, due to an absence of socioeconomic interrelations, knows practically everything. In fact, here I saw a lost human being, desperate, without friends and connections, completely incapable of understanding circuit breakers and fuses, not to mention our national economic system. All this person knew was that a child must be taught to love life, truth, and wisdom, and to respect the values created by human labor; that a child must be taught that citizens must not steal and lie, and that socialism has created bureaus, institutions, the above-mentioned house administration, and as a matter of fact, also the systems of national economic management and of cultural administration. If these systems fail to fulfill their basic functions, they will be discredited because they no longer serve their purpose.

Writers' congresses have never taught anyone how to write. Nevertheless, they should say quite clearly and frankly that we, too, intend to part with what we feel is encumbering our work and that we also are fully affected by ideas that inspire our socialist society today. We are still angry about many things and we have every right to criticize them. As for myself, I believe that the situation will improve if we act consistently, tenaciously and also courageously, but in my opinion the absolutely worst thing we writers can face is a lack of interest in the life of our working man, the same man who created socialism for himself, for his fulfillment as a human being, and for his own dignity, so that his labor may increase the social and spiritual wealth of our nation and so that he may bring his own unique contribution to their history. Therefore, as authors we also share the fate of every such individual human being. I am sure that as long as we fail to see this simple truth in its fullness, the weak-eyed old ladies will go on groping in the world, lonely and lost like a grain of sand in the desert; they will go on groping and searching for someone who may come and save them from dying in darkness.

9004

## HUNGARY

### Former Prime Minister Critiques Party Program, Procedures

**Biography of Andras Hegedus**  
25000488 Budapest *ELET ES IRODALOM*  
in Hungarian 28 Aug 87 p 6

[Text] Andras Hegedus (born 31 October 1922) is an economist and sociologist. He studied at Budapest Technical University's School of Economics. Joined the party in 1942. In 1945, helped to implement the land reform as a ministerial commissioner. From 1945 to 1947, was a secretary of the national governing body of the MADISZ [Hungarian Democratic Youth League]. From 1948 on, a section chief of the MDP [Hungarian Workers' Party] Central Committee. From 1952 to 1953, minister of

state farms and forests, and then minister of agriculture. From 1953 to 1955, first deputy chairman of the Council of Ministers. From 1955 to 1956, prime minister. From 1958 on, a staff member of the MTA [Hungarian Academy of Sciences] Economic Sciences Institute. From 1962, deputy chairman of the Central Statistical Office. From 1963, director of the MTA Sociology Research Group. From 1969, senior staff member of the Industrial Economics Research Group. In 1973, expelled from the MSZMP for opposing its policy. He is the author of the following books: "A földműves szövetkezetek feladatai" [The Tasks of the Agricultural Cooperatives], 1948; "A magyar mezőgazdaság szocialista atszervezesenek kérdései" [The Questions of Hungarian Agriculture's Socialist Reorganization], 1951; "A munkaszóztaly es a parasztság szövetség" [The Alliance of the Working Class and Peasantry], 1955; "A munkaszóztaly rendszere iparunkban" [The Wage System in Our Industry], 1960; "A modern polgari szociologia es a tarsadalmi valóság" [Modern Bourgeois Sociology and Social Reality], 1961; "Műszaki fejlesztés a szocializmusban" [Technological Development Under Socialism], 1962; "A szocialista társadalom strukturájáról" [On the Structure of Socialist Society], 1966 and 1971; "A szociológiáról" [On Sociology], 1966; "Ember, munka, közösség" [Man, Work, Collective] (with coauthor Maria Markus), 1966; and "Valtózó világ" [Changing World], 1970.

**Interview with Andras Hegedus**  
25000488 Budapest ELET ES IRODALOM  
in Hungarian 28 Aug 87 pp 6-7

[Interview with Andras Hegedus, by Andras Mezei; date and place not given]

[Text] [Question] Dear Andras Hegedus. Without mincing words, you were one of the supporting pillars (albeit merely a decorative one [front man]) of Matyas Rakosi's command-directed political and economic system. Since then you have become a scientist of international renown, a sociologist and economist who is almost a dissident. How do you interpret the Central Committee's program for "resolving" the crisis? What are all the things we have to "extricate ourselves" from?

[Answer] First of all, perhaps from the uncritical behavior that is typical of the governing bodies of our social institutions. From the formalism evident also in that, according to the [Central Committee's] resolution, 27 institutions have given their blessings to the program (as well), without having debated or critically evaluated it.

[Question] Aren't you making an iron ring of wood [a Hungarian figure of speech denoting something absurd]? If the live and kicking economy has become a sort of puppet, is it possible to free only its feet or one of its hands? What could one expect of such motion-limiting "extrication"?

[Answer] I will shift your metaphor a bit. Bear in mind that the societies of East Europe have never become a cast of puppets, even though that is typical, at the various levels, of the governing bodies which have become bureaucratic. Within Hungarian society, the internal forces that are prying the old frameworks apart have appeared very significantly with the "new tunes of modern times." The managing bodies of the most diverse institutions—for example, of the SZOT [National Council of Trade Unions], the KISZ, the PPF, and everywhere else—ought to free this progression that present-day society has borne to term, albeit painfully. I feel with every nerve in my body that good times might be around the corner, despite our serious economic problems. But this would require a drastic reform and comprehensive changes. Everything here awaits the freeing of the dynamic forces, a new "liberation." That society itself, and not the state and the party, integrally develop industry, agriculture and trade. For this the Central Committee's resolution can only provide the framework. Of course, the mass of redundant people in redundant institutions, receiving salaries and subsidies, are not interested in change.

[Question] And the institutions have been "founded" so well in the 1950's that they cannot be dismantled even now, thirty or forty years later? But specifically whom do you have in mind?

[Answer] The governing body of the SZOT, for example. So far, in my opinion, it has not contributed anything toward radical changes, and often has even been obstructing them. Even now it has supported the party's bare-bones resolution only perfunctorily. Whereas in Poland the State-sponsored trade union (not Solidarity!) has presented an alternative economic-policy program to the leadership of the party and the state. Regrettably, KISZ support for the Central Committee's program to resolve the crisis seems to be of a similar nature. Yet the KISZ could have begun to implement the 30-year-old MSZMP program that calls for reorganizing the NEKOSZ [National Association of People's Colleges], which could liberate and mobilize the fresh and vigorous creative forces among our youths.

[Question] Is the Andras Hegedus of today so optimistic? Do you have as much confidence in the organized working class and Hungary's youth today as you did at one time? What would it mean if the SZOT, the KISZ, the PPF and also other organizations were to become more independent?

[Answer] It would mean the recognition of pluralism in our society. Much has already been said about this at the Szeged conference on ideology, but still not as much as the importance of social pluralism would have warranted. If social pluralism were to develop, it would eventually mean that the various institutions and movements could be contributing, each according to its functions, toward radical changes, toward the functioning of a

vigorous civil society. And so far as the PPF is concerned, press reports claimed that the PPF, too, had decided to support the program for resolving the crisis. But Tamas Bauer, a young economist recently elected to the PPF National Council, wrote a letter protesting that the reports were false. His letter appeared in HETI VILAGZDASAG. There is no question at all of PPF support for the program to resolve the crisis, he wrote. The PPF had not even discussed the program, he added.

[Question] Why did the protest come specifically from him?

[Answer] It is very typical that the protest did not come from the so-called scenarists of the PPF. By scenarists I mean those who plan ahead the order of debate at the various meetings. Who determine who will be the speakers and what they may say. But I have confidence in the likes of Tamas Bauer. They represent the individual autonomy of Hungarian society's creative forces. Because they are present practically everywhere. Sometimes individual voices can be heard even on, horrible to say, the National Peace Council. They indicate that many members of even the governing bodies have not become puppets.

[Question] Will I be damaging your reputation in the West as a dissident if I point out that you are criticizing from within? All your ideas up to now indicate that you are hoping for this particular pluralism, but you are not thinking in terms of a multiparty system. Or should I not dwell on this subject?

[Answer] Why not. You have understood me correctly. I have long felt that in societies of the East European type (thus not only in Hungary, but also in Vietnam, Korea and Cuba, and even in Yugoslavia) the road to socialist democracy leads not through a multiparty system, but through a pluralism in which civil society's various institutions function independently and exercise effective oversight of the party and state, of the institutions of power.

[Question] How can the "dear children" of the party and state oversee their parents? Aren't you being naive? Would they be able to intervene in decisions that often are made behind closed doors?

[Answer] This is something on which the future will have the final say. I am optimistic and base my optimism on the favorable experience of the past 30 years. Primarily on the two decisive and fundamental periods of reform that lasted, respectively, from 1966 to 1970, and from 1979 to 1984-1985. Those were the periods in which our nation regained its strength, in the strict sense of the word. And if we examine the periods of retreat and stagnation, we find that the forces of reform were decisive even then. Even though society did not make any progress "in the clouds" [at the power structure's top levels] from 1970 until nearly 1980, and in this respect Hungarian history has practically lost also the past three

years. In spite of all this, however, growth "at the grass roots" has not ceased. We are not starting from scratch, from zero. I could mention many achievements of our reform that we do not have to reinvent, only to recognize and develop further. This is the "gold standard" for the third period of reform since 1956. But if we perceive the Central Committee's program for resolving the crisis in the same light as the resolutions the Central Committee adopted in the 1950's—as if it were a perfect action program that the people have only to implement—then there will be no resolution of the crisis. However, if we accept the lesson that the task of the leadership is not merely to adopt resolutions and oversee their implementation, but primarily to analyze the actual situation and to help the unfolding of the forces deep within society, then we are talking sense. That is what nearly happened in the second period of reform. Only this sound political practice has been interrupted in 1984, and in many respects we are experiencing a return to the old, wrong ideas. For example, how can the product structure change if the minister of industry arbitrarily determines which products are so-called viable products and which ones are not, or if he believes that the proportion of the former can be increased within a year from the established 28 percent to 31 percent. Such industry managers would like us to believe that changes in the product structure can be made also from above, whereas the experience of several decades past proves that this is not possible. People—if we let them—ponder, seek, research, tinker and venture, according to their nature. How much more they could accomplish if the state were to help them! We can thank the dynamic individuals who are willing to try the impossible, and who often do not shrink even from violating the law, that the economy is not much worse off than it is

[Question] Do I understand correctly that you are not rejecting the Central Committee's program for resolving the crisis?

[Answer] That is correct. But I regard it merely as a bare-bones resolution that can be fleshed out with varying content. It is like a picture frame that can support a blank carton as well as an inferior painting.

[Question] If we wanted to make an iron ring of wood by saving the good old wood and putting an iron rim around it, we still would have only a cart wheel. Am I right? The cart for resolving the crisis would be advanced if we were to form a realistic picture. But of what?

[Answer] First of all, of the two splendid periods of reform in our recent past. We now have to analyze the 1966-1970 and 1980-1984 stages of reform. Despite the irony, there is much truth in the quotation from Orwell: "Who holds the past holds the present, and who holds the present holds the future." To its lasting credit, the first period of reform, from 1966 to 1970, questioned the usefulness of the command-directed economy. It gained acceptance for the concept that our possible future is linked to the development of a plan-conforming and

regulated socialist market economy. Most enterprises gained their independence for the first time during that period. But the reformers then lacked the time to dismantle the bureaucracy which managed industry and agriculture, and therefore they only clipped its power. In the 1970's, unfortunately, the branch ministries more or less restored the previous situation. In spite of this, however, the command-directed economy in its monolithic form never returned. The first period of reform demonstrated, among other things, that a rise in the standard of living can be a natural consequence of increased economic activity. In that period, the individual enterprises were able for the first time to produce for the market, and the economic units were able to cut their costs. A very important achievement was the modernization of farm production, primarily through the rehabilitation of the competent and enterprising specialists and peasants. We must not forget the catastrophic damage caused by the persecution and exclusion of specialists (farm managers) after the war, and of the middle peasants in the 1950's. Regrettably, I too actively participated in this. How fortunate that after 1956, during the first period of reform, not all of the enterprising specialists and peasants were yet too old and could assume resourceful roles in the cooperatives in the second half of the 1960's. That was the time when the era of cooperative-farm businesses began and is still continuing. For even today the agricultural cooperatives are deriving the major share of their income not directly from the land, not from farm production, but from their industrial and other ancillary activities. In contrast to the Stalinist concept, the household plots were able to become commodity farms during those years, and thus entrepreneurship was able to penetrate the private sector as well. And efficient cooperation could develop between extensive large-scale farming and intensive small-scale farming.

[Question] But is it possible to cross a ravine in small steps? If that first period of reform was so successful, why did it stumble?

[Answer] It did not stumble but bumped its head in the "clouds" of politics. The first period of reform failed there, and not in the economy. In the 1970's, namely, there emerged within the party leadership the so-called blue-collar opposition that was recruited from among trade-union officials and megye-level middle cadres. During the Brezhnev era, this opposition received support not so much from Moscow, but mainly from Gierek's Poland and the new Czechoslovak leadership that cursed the "Prague Spring." The opposition to reform in Hungary could also count on support from Berlin, from where very strong antireform attacks were arriving. For all these reasons, in this cross fire, the opponents of reform prevailed within the central leadership in November 1972. Unfortunately, this is something party history does not want to know about. Thus the reform failed in the "clouds" of politics, although it had proved itself in practice. Not a word was said about reform at the party congress in 1975. In the deeper strata of society, however, the businesses launched during the

reform did not cease entirely, even though various "criminal" ventures were practically the only cases that the "Blue Light" [TV crime report] program presented at that time. We all remember the tribulations of the man in the case of the morello-cherry pits. But all this was unable to deter society from the idea of reform. The peasant watched television, while fattening his hogs and considering plans for other business ventures. In the late 1970's, the balance of power within the party leadership shifted again in favor of the more receptive faction. To Hungary's good fortune (and this I wish to emphasize), the reformers had not been forced to emigrate, as they were in, say, one or two neighboring countries. This enabled them to achieve the second period of reform.

[Question] Yes, the times were indeed different in the 1960's than in the 1950's, "Comrade Hegedus." Both the old Hegedus and the new Hegedus were probably in you at that time. How did you perceive the difference?

[Answer] Hold on. An extremely rigid conception of socialism still prevailed in the Ideology Department at Party Headquarters in the 1960's. Had the efforts then to change that conception failed, there would have been no reform. The dogmatists regarded any idea of reform as an attempt against Marxism. In comparison to this, imagine what a "heretic" breakthrough it was to gain recognition of the household plots as commodity farms, or of family businesses, for example. Or acceptance of the fact that the cooperative sector is not inferior to the state sector. At that time even humaneness rated merely as a "bourgeois value." And sociology was considered a "bourgeois science." But how far we departed from this rigid mentality by the end of the 1960's!

[Question] Meanwhile the world probably went through a revolution in science and technology. But you have convinced me that the great breakthrough in our country has been the breakthrough in ideology. Where did it originate?

[Answer] The Hungarian reform initiative that began in 1966 was nourished by the Khrushchev era of reform. Despite Khrushchev's downfall in the autumn of 1964, his so-called little reform survived. This gave us ideological encouragement. In addition, we were influenced by the enlightened intellectuals of Polish culture, which was developing freely until 1968. Incidentally, those intellectuals were not puppets. Yugoslavia was admitted at that time to the ideological body of the Warsaw Pact. Yugoslavia's critical social science, primarily the Praxis Circle, had very strong influence also on the "enlightenment" in Hungary. In the Soviet Union, likewise at that time, the intellectuals split into pro-reform and antireform wings, although the split consisted mainly of hairline fissures rather than cracks. The young guard that is now assuming a role in the power structure was recruited about then. And this situation was not altered even by the fact that Gomulka's purge in 1968 temporarily put an end to the process of enlightenment in Poland. That the most

prominent representatives of Polish enlightenment emigrated to the West. And that the "Prague Spring" ended in the autumn of 1968, and soon thereafter also the reform panorama of the 1960's in Hungary was obscured temporarily by the dark background. Believe me, it is not my "gung-ho optimism" but the facts that compel me to say: temporarily. The process of enlightenment in intellectual life, and reform of social, political and economic relations are an objective social imperative, not to say a historical necessity. You will recall that in 1978 they wanted to crack down severely on unlicensed artisans, but the Council of Ministers rejected the proposal, and the newly forming business partnerships provided freedom of opportunity for unlicensed artisans even within the enterprises. There came the business partnerships, then the enterprise workers' business partnership, and a practical alternative structure began to emerge within the enterprises. On an ever-wider scale, cooperative relations have replaced the bureaucratic relations of subordination and superordination. In the enterprise workers' business partnerships, the blue-collar worker is working side by side with the party secretary or the chief engineer. The worker is not subordinated hierarchically to the enterprise's management, but contracts with it. From what does this stem if not from the reserve hidden deep within society, from free initiative?

[Question] That is true. Today both the rich and the poor are able to use their initiative. Accordingly, the reform will sooner or later make way for itself anyhow. Even if we sit with our arms crossed?

[Answer] No, not at all. The reform will divide both society and the party, into for or against reform. This today is the basic issue. And there is nothing whatsoever to guarantee that the antireformers will not gain the upper hand once again. Although I am confident of reform in the long run, it is by no means immaterial whether the reform is implemented in the near future or is drawn out for decades. Let me cite an example of the progress that reform-mindedness has made. Directly or indirectly, I have been involved in three river dam projects: Tisza I, Tisza II, and now Nagymaros. When Tisza I was built (then I was still in a position of power), I never heard even a whisper about any problems. When Tisza II was being built, every expert was cursing the project (because of its environmental impact), but only in whispers over coffee, in the espressos around the Ministry of Agriculture. Now, in the case of the Nagymaros dam, there are already two movements opposing it. In the light of their arguments, I too believe that we should continue to seek some sort of compromise.

[Question] If you told me all this to make me more optimistic, I am afraid that I do not regard it as a change that has come about with lightning speed. On closer examination, nearly a half century elapsed from the silence through whispering to the two limited, fledgling movements. But let us leave the time lost. What might happen when there is no consensus behind some important decision?

[Answer] Why can't we imagine a developmental trend such that the complete silence, the whispering, and the more or less humane treatment by the police of the two independent critical movements, which is typical of the situation today, will eventually lead to the government's willingness to talk with the representatives of these movements and to publicly disclose the motives underlying this decision, and its background? There might even be a referendum on some controversial issue.

[Question] What would compel the government to submit an issue to a referendum?

[Answer] The desire to maintain consensus. The breakdown of consensus could lead to ever-greater crises. Crises are not harmless even in East European societies (as we found out in 1956). A prudent government will strive for consensus so as to avoid a political crisis.

[Question] On what basis could the government order a referendum?

[Answer] A constitutional reform would be necessary, one that obligates the government to hold a referendum in specified instances.

[Question] Your assessment of the Central Committee's program is favorable even though it does not contain these specifics?

[Answer] Yes. If for no other reason, already because the program states that a radical change of policy and the acceleration of the reform process are necessary. This is something specific, although at present we do not foresee what course the process of resolving the crisis will follow.

[Question] I would not want to harm your justified optimism, because you have appeared in print only in the West for nearly 10 years, and you might objectively regard as a good sign even the publication of this interview at home. Nevertheless, are we not misleading each other? You me, and I you? In other words, how could we extricate ourselves from the reform rhetoric that by now sounds hollow?

[Answer] First of all, there should be an end to waste. In this I include the around 100 billion forints a year that the state pays out to the loss-making large enterprises, in the form of economic rehabilitation, subsidies and unrealistic prices. It would be good if the new tax reform, the introduction of which seems unavoidable, would encourage economization and entrepreneurship. But the present plans, regrettably, do not guarantee the realization of either objective. It is to be feared that the tax reform's real losers will be the stratum that will not pay any taxes, but will nevertheless have to bear the burden of inflation and the tax reform's other unfavorable consequences.

[Question] Will not this stratum, too, be better off if more value is created?

[Answer] But the question is: How much will this additional value cost society? We ought to extricate ourselves also from the organized irresponsibility that is evident in important investment decisions. I have in mind the decisions that have the concurrence of everyone concerned; but when the project fails, it is no longer possible to determine who actually made the decision. How can we prevent a series of wrong decisions in future if we do not make public the erroneous decisions? If openness does not function within society as a factor of effective oversight? If the domestic press misinforms the citizen and we never get to know, say, exactly how much our foreign debt is? For what were the foreign loans obtained? On what have they been spent? Why are not the newspapers publishing articles on the problems of the economic efficiency of our large investment projects at home and abroad?

[Question] How fortunate that today we are already able to speak more freely to some extent about the reasons why we have been delaying up to now the changes in the product structure that have been overdue for 25 years? But how far can this speaking more freely go?

[Answer] Today already quite a few people realize that specifically the large loans from the West have made the delaying of restructuring possible, through protectionism favoring the large enterprises. The managers of the plants that were operating already then at a loss were often able to get the government's support for their world-redeeming plans, and to obtain substantial amounts against worthless promissory notes. This at a time when Gierek's pipe dream of "building a second Poland" had already plunged that country into a crisis. Even though such a concept was lacking in Hungary, the managers of the large enterprises could nevertheless feel, having suffered through the first period of reform, that it was again their time. This is how it could happen that we "succeeded" to obtain, badly invest and squander the bulk of our foreign loans specifically in the period when the reform was stagnating. We should be glad that at least a substantial proportion of the loans found its way into the basket of personal consumption.

[Question] Would specifically the West have supported antireform policies? Did they not give us loans because the reform had created a good image for Hungary?

[Answer] The officials concerned pretended (for foreign consumption) that nothing had changed.

[Question] Did you, too, serve for ten years, unwittingly, "for foreign consumption"?

[Answer] Don't ask me. But to continue what we have just been discussing: even in the antireform period there was talk of making the forint convertible, of enterprise independence, and of setting world-market prices. It would be befitting to commemorate the rounder anniversaries of these decisions. Not long ago, for example, was the 25th anniversary of the "startup" of changing the

product structure, through lip service. We have seen for many decades that if the chief executive of a large enterprise is a member of the Central Committee, a deputy of the National Assembly or holds office in various organizations, and if he maintains good relations with the Ministry of Industry, then protectionism and the gigantomania of managerial bureaucracy are inevitable. We see this and speak about it, but decisions regarding economic rehabilitation and the granting of investment loans are still not being made by banks that would fail if their economic rehabilitations went bad or if the investment projects proved irresponsible. These decisions are political decisions, and the risk is borne by entire society. Admittedly, our credit rating is still good even today, but we do not know how long it will remain that way. Instead of being able to service our debt from our trade surplus, we are borrowing to pay interest on old loans.

[Question] Then which one of our eyes is crying and which one is laughing? The reformist or the antireformist? For it follows from the preceding that antireformist policy is no longer able to reinforce itself with additional loans, and therefore we can be optimistic. But the reform, too, requires more money. Is it true that when our trouble is the greatest, its resolution is near? Do you see any possibility of this? But where? And in what?

[Answer] For example, in that the committees of the National Assembly have essentially been sharply critical of the tax-reform bill. To my mind, all this indicates the importance of the latest changes in our electoral system, changes which many people dismiss as insignificant. But by all this I do not wish to say that the electoral system today is already a good one. We need a better one in place. Presumably the next step ought to be the election of a National Assembly comprising two chambers. Even under socialism, in my opinion, two basic interests are confronting each other: the interests of the producers, and those of the consumers. Therefore one chamber ought to consist of representatives whom the producers freely elect by ballot; and the other chamber, of representatives whom the consumers elect in the same manner. The two chambers could effectively oversee the decisions of state power and the state administration. Recognized necessity is reform's best support. Reform, according to the old Latin proverb, is virtue created by necessity. Necessity creates the more flexible banking system, entrepreneurial freedom, and economization at the bureaucracy's expense.

[Question] In the "evil Rakosi era" we were admonished to tighten our belt, were we not? Why is it that ever since we are able to implement the "economization" you mention only at the consumers' expense?

[Answer] Wait a minute. When consumption is excessively high, it does not necessarily mean that consumers are consuming too much. For so-called national consumption includes not only personal consumption, but also the consumption of the army, police, diplomatic

missions, educational institutions, and so on. The redundant officials, redundant apparatuses and redundant institutions are also "consuming," usually with big appetites. No symptom is worse than when national consumption is rising while real wages are falling, which has been the case in our country in recent years. Management [of the economy] ought to be radically simplified.

[Question] What do you have in mind?

[Answer] For example, a Ministry of Economic Policy to replace the Ministry of Domestic Trade, Ministry of Foreign Trade, and Ministry of Agriculture. The new ministry would be concerned strictly with economic policy, and would not have opportunity to intervene and hamstring every new endeavor.

[Question] In other words, let the redeeming resolution of the crisis be born where the "manger" is?

[Answer] Yes, or even in the same stable. But only with new values. Only enterprising individuals and groups can redeem the economy and politics. All this should be allowed to evolve. The qualifications that a director must meet today are not primarily professional knowledge, leadership and loyalty to the party, but entrepreneurial skill, boldness, and a sense of responsibility. He must be able to sense which are the products that can make money. Stagnation will take over sooner or later where there is no entrepreneurship.

[Question] Is there sufficient freedom and confidence for entrepreneurship? Freedom and confidence such that people can take them for granted? From what do you expect a resolution of the crisis, from a market economy?

[Answer] Not exclusively. Primarily from entrepreneurial socialism, which is achieved partially in a market economy, and partially in a framework that is not a market economy. We have to finally abandon Stalin's standard that the enterprise director is the state's top official. The director ought to be the skilled initiator and promoter of various ventures.

[Question] I must admit that at the beginning of our interview I still had my doubts as to whether it is possible to make an iron ring of wood, so that the iron ring would be the same as a wooden one, but still an iron ring. Would it not be too expensive? At the start of the interview, I doubted whether preserving the wooden ring did not bring into question the expediency of making an iron ring which, I thought, was not truly an iron one. But now I do not regard as impossible that specifically this is a characteristic of the Hungarian reform. That such a unique formation can nevertheless be created. That reality, rather than theory, creates a product which, according to some people, is a wooden ring on the inside, and an iron rim on the outside. And there you have a cart wheel, they say. Undoubtedly, the Hungarian reform has invented wheel-making. The Hungarian economic reform has proved that, yes indeed, you can make an

iron ring of wood. All you need to do is to put a rim around the command-directed economic system and, as they say, your cart is ready to roll. Now, at the end of our interview, I think I understand why our Western creditors refuse to believe their eyes. That all this would not exist had not the dollars kept flowing in for so many years. And the world could not be amazed that, while everything remains as it was, something new—"and Hungarian"—has nevertheless emerged! Dear Andras Hegedus, you have convinced me. But I am obliged to think further: Why have you not said all this in the 1950's, when you were in power?

[Answer] I can only quote Marcus Aurelius who said: "I know that I erred. But it is unfair to be hobbled even today by a past mistake as I strive toward the good and the truth."

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## POLAND

**Youth Affairs Minister on Role, Activities**  
*26000778h Warsaw POLITYKA in Polish No 33,*  
*15 Aug 87 p 5*

[Interview with Aleksander Kwasniewski, minister for youth affairs, by Anna Matalowska: "Only As Much Power As There Is Money: Who Needs You?"]

[Text] [Question] In its time the appointment of the minister for youth affairs had become the butt of jokes for humorists. In accepting this post you must have considered it meaningful. I must admit that I intend to show that this office is superfluous.

[Answer] This may have been good for humorists, but it has also revived the hopes of many young people. I am the second person to hold this office. At the beginning my situation was difficult because, having been a reporter, I also voiced doubts concerning this office. But after one and one-half years of serving in this post I can say that we are discussing organizational structures but the point is rather to discuss objectives, tasks, what we must accomplish and how. A structure may be secondary. It may serve to resolve the problems of youth, or a different structure may do, or even an efficient state lacking any such structure is a conceivable, with all the problems of youth being resolved in the proper sequence and effectively. But I believe that in Poland, and besides not only in Poland, it is necessary to pursue what I would offhand term a youth policy. Every modern state that cares for the future, for generational succession, must pay attention to the start being made by the rising generation. I mean, it must care for education, health, jobs for youth, vocational and professional training, social activism, etc. This is being handled by every government in the world, including governments in countries whose economic situation is incomparably better than ours. Then there

also are the specific conditions in Poland to be considered: first, the proportion of youth in this country is high; even if we consider that age 30 is too high as the limit of youth, nearly one-half of our population is within this age group.

[Question] Throughout the world it is believed that by age 30 the individual accomplishes something. In the West, a man who makes no money by age 35 is thought to have no chances for advancement in certain fields. In this country the age limit is viewed more broadly, and as a result we have 50-year-old youth activists.

[Answer] Let us not exaggerate. There are no such activists in Poland, but it is certain that in this country careers are started at a later age than in the United States. This is another problem to be resolved. But to return to my previous topic, in view of the numbers of young people in Poland we must resolve many complex problems. For example, there are the nearly 300,000 marriages [annually?], meaning that these newlyweds need new housing of their own, which we are not providing them with. Another problem is the political and social situation — the apathy of a large segment of youth, the lack of activism, the erosion of values and role models. These occurrences are of concern from the standpoint of the country's future and development, and since they are negative occurrences, they have to be counteracted. The third rationale for pursuing a youth policy is the economic situation of the young. According to our studies, nearly one-third of young people begin adult life without any resources, and without help from the family. To them the consequences of the crisis are particularly painful.

[Question] All that you said above is generally known, but there exist discrete institutions for resolving various problems — the [ministry of] education, [the ministry of] higher education, or various other ministries, decrees, resolutions, regulations, loans. The effectiveness of these institutions is limited, though not because they are not doing anything. Has your organizational structure been provided with some greater resources enabling it to perform more effectively rather than to duplicate the activities of other institutions?

[Answer] Were the economic situation of this country to be very good, and were all the institutions to operate ideally in accordance with their purposes, we could undoubtedly resolve youth problems more rapidly and effectively. It should be borne in mind, however, that, aside from activities falling within the competence of a single institution, many other activities, in fact, I believe, an overwhelming majority of activities, require the cooperation of many ministries, community and youth organizations, etc., and hence also their coordination. For example, we cannot just say that health is handled by the Ministry of Health if we consider such associated problems as disabled young people, the struggle against drug abuse, therapeutic sports, etc., which require interdisciplinary cooperation.

[Question] You are to be the coordinator?

[Answer] In a sense, the idea [of appointing a minister for youth affairs], conceived in 1982, had ensued from the bad experience of the 1970's, the instrumental treatment of youth and its organizations. This idea was conceived in response to the calls for showing concern for the rising generation, and it also represented an attempt to combine dispersed activities that require coordination. To this end was appointed the Committee for Youth Affairs under the Council of Ministers, headed by a deputy prime minister. As for the minister for youth affairs and his staff of some 15 people, they are the executive body of the Committee, operating within the framework of the organizational structure of the Office of the Council of Ministers.

[Question] You don't even have a nameplate.

[Answer] That is because we are neither a ministry nor an office.

[Question] What then are your powers?

[Answer] I can prompt decisions by the government with respect to resolving entirely or partially problems of youth. And we are doing this. Last June we were assigned "Main Tasks of the Government on Behalf of Youth Until 1990," which, if consistently implemented, should bring about an improvement in the situation of young people and afford good opportunities for activism, resourcefulness, initiative, and enterprise. However, the organizational structure I administer was not conceived very consistently, which is besides rather typical for this country. We have counterpart organizational structures only in some, not all voivodships. We were provided with resources that may be sizable but unfortunately are insufficient in relation to needs. And there is only as much power as there is money. We are not a central office and so we don't have what you call a "nameplate."

[Question] What would a nameplate change?

[Answer] It would enable us to create a nationwide structure. When the government takes decisions, the point is that they be also implemented at the level of the voivodship and the gmina, and this requires at least a minimal [local] organizational structure, not meaning any bureaucracy. Second, this would make possible a greater number of direct decisions on youth problems and with the autonomous participation of youth in decisionmaking. At the moment, as a member of the Council of Ministers, I can act only through decisions of the Council of Ministers.

[Question] But are there any ordinances that you would need to issue were it within your powers?

[Answer] Yes, for example, to provide the possibilities for broader initiation of economic activities by youth, or to expand the facilities available to young people, such as

youth clubs, sports facilities, recreational areas for youth, or to resolve integrally problems relating to the leisure time of youth, including also the so-called threshold periods between leaving school and starting work, which are the most tense and perilous periods to youth.

[Question] Must this be done by a ministry?

[Answer] As I have said, to me organizational structure is a secondary issue. Besides, truth to say, it was not we in Poland who first conceived the idea of a minister for youth affairs. Similar offices and posts exist in the GDR, in the Federal Republic of Germany, in Sweden, in France, in Tunisia, in Hungary, while in many other countries this is a joint ministry for youth and sports. At present discussion is also under way about establishing a government structure for youth affairs in the USSR which would, without detracting from the role of youth organizations, implement social programs and coordinate youth-related activities of ministries and central offices.

[Question] There used to exist [youth] clubs which no institution took under its wings; they were based on talent, initiative, and resourcefulness. Youth lacks housing and there is a shortage of many other things which you would like to alleviate for youth, that being part of a larger program, but how can you influence, say, building more housing?

[Answer] Yes, by drafting legal provisions, helping obtain housing allocations, affording possibilities for loans, we support the initiatives taken by youth. There is of course another possibility — appeals to conscience.

[Question] But you don't build housing with appeals.

[Answer] Given the rise of 1,600 housing cooperatives with troubles of their own, helping them is our task.

[Question] And what are you doing for them?

[Answer] Why for them? They are building homes, but it is not up to them to determine the housing loan regulations or legal provisions specifying the scope of competences of such cooperatives.

[Question] But what does youth expect of you? Does it know at all of your existence?

[Answer] If I meet with young people who are of family-founding age, they expect assistance with such major sore spots as housing and the material situation, and they also expect decisions that would unlock vistas for improvements in their situation. When I meet with university students, on the other hand, we discuss the scope of democracy, possibilities for career development, and foreign trips and passports. In discussions with rural youth stress is placed on the problem of

agricultural machinery supplies, the system of assistance for young farmers, and the need for upgrading the civilizational amenities of the countryside.

[Question] The situation of youth is a corollary of the situation of the entire society. If the latter is good, youth benefits. What is the use of your succeeding in obtaining some cement or a score or so of houses for 40-year-olds, or in making it possible to purchase a wardrobe on the installment plan, considering that this is merely cosmetic surgery?

[Answer] We are unable to improve the situation of youth — and here I am not thinking of 40-year-olds but of people much younger — at a much faster rate than that of the improvements in the country's economic situation. I mean, of course, the material situation, because in the domain of politics the possibilities are much greater: the development of forms of democracy and contact with the world are expected and positively regarded by youth. Otherwise, if we neglect youth problems and display lack of commitment and impotence, how can we expect of a considerable part of the labor force, represented by young people, to work hard, be creative, and as a result to improve the economic situation? This is a kind of feedback. Can the success of the reforms be believed in if they are not supported by youth, more even, co-created by it?

[Question] Youth represents a weak "lobby" — it will not protest if your office is disbanded.

[Answer] What matters is not the office but the cause. If we cease to be concerned for youth at present, we rule out the possibility of improving our situation in the future. I believe that we should resolve the problems of young people more rapidly even than is permitted by our economic possibilities. Because youth represents the creative group that can prompt progress. After all we faced and still face the peril that young people will identify emigration with their future. If youth is to be a creative force, and an author of transformations in Poland rather than merely a kibitzer or a critical viewer of events, it must be provided with the conditions for work, activism, innovation, and the solution to its numerous problems. We must thus ponder how to formulate our goals, what organizational structures to establish, and what to do to accomplish precisely this. I interpret attending to the problems of youth as precisely an exploration of this kind, action, and fulfillment of duty to the future.

[Answer] Thank you for the interview.

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**Catholic Weeklies Profiled in POLITYKA**  
26000769 Warsaw POLITYKA in Polish 8 Aug 87  
pp 1, 5-8

[Article by Kazimierz Kozniewski: "Guide to the Catholic Press"]

[Excerpts] On the identification book of a citizen of the PRL there is no such heading as religion. Yet the Statistical Yearbook enumerates 25 churches and religious associations, from the Roman Catholic Church to the Old Eastern Rite Church.

The People's Republic of Poland is a country of many philosophies—therein our appeal—and this variety of philosophies is reflected in churches as well as in the press, which clearly commits itself to various faiths. What is the Catholic press, more specifically, the Roman Catholic press? What positions does it express? With what issues was it involved in 1986?

In February 1985 SLOWO POWSZECHNE published a list of Polish Catholic publications available in Poland (based on a very competent catalog of these publications published in Lublin), in which 49 periodicals (not counting annuals, monastic publication such as NOSTRA and academic bulletins for the Academy of Catholic Theology and Catholic University of Lublin) and 25 official publications, e.g., diocesan news, appear. Such is the state of the Catholic press in Poland. From one (and the only one in the entire camp of socialist states) daily to numerous weeklies, monthlies and quarterlies. For all those who publish and read these publications, there are no doubt too few of them. But a considerable majority of people who see themselves as Catholics, have their children baptized, have church weddings and arrange church funerals for their relatives, do not reach for any Catholic publications, but constantly read the completely secular, even the party press. and conversely, TYGODNIK POWSZECHNY is read by a significant number of people who have nothing whatsoever in common with the church. Of course, this probably applies only to TYGODNIK POWSZECHNY and perhaps WIEZ[Catholic monthly], not the scores of other titles.

Too much or too little. I do not want to play with such opinions. These opinions lack any kind of more sensible criteria. The fact is that we have nearly 50 publications calling themselves Catholic. Along with church pulpits this is a fairly powerful body of Catholic mass media. Yet there are still politicians in this world who would like the Catholic Church in Poland to be an underground, silent church. Precisely the opposite is true. And the Polish Catholic press is documented evidence.

### To God and Caesar

SLOWO POWSZECHNE has been published since 1947. The founders of the paper were Ksawery Pruszyński, Bolesław Piasecki, Jan Dobraczyński, Aleksander Bochenski, Stanisław Stomma, Hanna Malewska, Jerzy Turowicz, Wojciech Ketrzyński and several other Catholic intellectuals, signatories to a letter to Bolesław Bierut who, at the same time, gave a special interview to Ksawery Pruszyński. Such were the beginnings of SLOWO POWSZECHNE. Many diverse journalists

turned up on its first editorial staff. It was there that Olgierd Budrewicz debuted and there from the beginning, although it sounds peculiar today, was Leopold Tyrmand.

Among the staff, sometimes temporary and sometimes more permanent, were Zofia Kossak, Paweł Jasionica, Aleksander Bochenski, Stanisław Cat-Mackiewicz, Jan Dobraczyński, Tadeusz Mazowiecki and many others. The first editor-in-chief was Wojciech Ketrzyński, then Mieczysław Markowski, Zygmunt Przetakiewicz, Ryszard Reiff, Witold Jankowski, Janusz Stefanowicz and Jerzy Ślaski. In various years the leading staff of PAX.

Among daily newspapers, SLOWO can boast of the most stable group of readers (research by specialized centers indicates this). Today 100,000 copies are printed daily. It is a popular paper, not only in its circulation rate but in its nature. A reader of this paper does not look for significant political news analysis but rather Sunday sermons, commentary on the Gospels and information about what is going on in the Catholic world. He finds very popular news about affairs of Poland and the world treated on a moral and philosophical basis, in accordance with papal instructions and encyclicals, and on a political basis in accordance with the interests of a Polish state building socialism, but taking into account the special interest of our Catholics. He also finds ideological documents, speeches and news about PAX.

In March of this year SLOWO POWSZECHNE published the results of a reader survey: religious issues arouse the greatest interest, then historical and, in third place, cultural issues. SLOWO POWSZECHNE is addressed to those Catholics—and there are many of them—who are building their church in complete harmony with People's Poland, the state and the government. The function of SLOWO POWSZECHNE is—amid the turbulent events of our age—state-integrational. Give to God what is God's and to Caesar what is Caesar's. Amen!

### Popular Weeklies, Magazines

Catholic weeklies—15 according to my count—are divided into two distinct groups. The first: GOSC NIEDZIELNY, MALY GOSC NIEDZIELNY, LAD BOZY, POSLANIEC WARMINSKI, PRZEWODNIK KATOLICKI, ZORZA and ZA I PRZECIWI. The second group: TYGODNIK POWSZECHNY, KIERUNKI, GWIAZDA MORZA, PRZEGLAD KATOLICKI, NIEDZIELA, KATOLIK, NOWE ZYCIE and TYGODNIK POLSKI.

The first group includes publications of a more popular nature; some of them are simply magazines. Their main interest is spiritual life and the religious life of Polish Catholics on one hand and, on the other, more popular and of interest to a broader public, social issues treated from the standpoint of morality and Catholic ethics and church politics as well.

The second group of weeklies includes publications clearly involved in our political, ideological and cultural life. They are public affairs publications—with varying intellectual levels of public affairs analysis, but analysis that expresses its own attitudes, opinions and positions. TYGODNIK POWSZECHNY, KIERUNKI and PRZEGLAD KATOLICKI do this on one intellectual level and NIEDZIELA and KATOLIK on another, but on every level they are clearly public affairs publications, and their political options are therefore not the same at all.

Published by the diocesan curia in Katowice, the GOSC NIEDZIELNY weekly, founded in 1923, discontinued in 1939, revived in 1945, is completely different. A circulation of 200,000, a very popular publication, it is distributed almost exclusively in Silesia. It does not limit itself only to religious or church issues. Of course, matters of religion, the life of the Polish and world church are foremost. Of course, interest in the activity and teachings of John Paul II is extensive. But besides this, the publication is turned toward the life of society, the country and state. As with all of the Catholic press—many articles and notes on world peace. The year 1986 was the Year of Peace and the entire Polish Catholic press, if only in commentary on the pope's frequent appearances, dealt with the subject constantly and in depth. The staff of GOSC NIEDZIELNY is vitally concerned about the attitude of Catholics, Poles, toward work. It writes about the "Gospel of work:" "If one separates the mystery of the covenant of human action from the providential action of God which is effected in the perfection of nature through work, then the work of man also ceases to be a means of salvation...it turns into anti-work." This is the ideological foundation of a Catholic publication but the conclusions from this "evangelization of work" are very specific and continually presented the readers: work well, honestly and reliably. And, immediately after this a very patriotic teaching: "One's homeland is a value that is not chosen." The magazine's leading analyst, Krystyna Jagiello, like many analysts, came to the Catholic press after a solid working apprenticeship in the secular and "regime" press. She will refer to the philosophy of Rev Tischner, but her conclusions are sound and very secular: "Thus one can trample Poland in lines, in busses, in work treated as moonlighting." GOSC NIEDZIELNY devotes much space to ecological problems but does not make ecology an instrument for struggle against the government; on the contrary, it presents it as a civic responsibility. It devotes much space to cultural affairs. The creators of the interest-provoking publication are exclusively creators who stress their Catholicism or opposition; in this regard the press associated with diocesan curias is a thousand times more disciplined and purposeful than the secular or leftist press. Interviews with director Krzysztof Kieslowski, with writer Andrzej Drawicz. Very pleasant remembrances of the beautiful future of priest-painter Jerzy Wolff. Some poetry. True, we have quotations from the secular and Marxist press but political discipline holds. Neither in GOSC NIEDZIELNY nor any other Catholic publication is there a reckoning with the

past, nothing anywhere about Catholicism's serious and sinful participation in all forms of intolerance, bias and dogmatism, practiced for entire centuries in the culture of Catholic countries. Pluralism is a demand addressed exclusively to those outside the Catholic camp. Polemics with KTT [Krzysztof Teofil Toeplitz], and with [Jan] Urban in all his public and official personages. Journalis by Andrzej Wielowieyski and Slawomir Siwek (demanding higher priority in paper for the Catholic press). An article by Stefan Bratkowski. Prof Marian M. Drozdowski recalls the historical contribution of Eugeniusz Kwiatkowski and Wladyslaw Grabski. Another historical article: Bishop Adamski and the matter of the [Nazi] occupation's "volkslist." A demand—this is very topical analysis—to ease political tensions.

A publication secure in its opinions. Rare intervention by the censor—but noted. Skillfully done editorially. Rich and varied in content. Ambitiously involved in the current life of the people but avoids taking extreme positions. Decidedly—in my opinion—the most interesting publication in this group of popular weeklies.

### One Story Higher

The most outstanding publication in this group is TYGODNIK POWSZECHNY, founded in March 1945 as an expression of a certain, then completely new historical phenomenon: Polish bishops acknowledged the sovereignty of a state built by communists, while communists, socialists and the left acknowledged the sovereignty of the Catholic bishops in the realm of their faith and their church. A bit earlier, a similar manifestation, e.g., the establishment of the Catholic University of Lublin in the fall of 1944, took place in Lublin, but the first issue of TYGODNIK POWSZECHNY was the most spectacular demonstration of this and the biggest test of bilateral relations, the only one of its kind on a worldwide and European scale. And with an interruption (from March 1953 to December 1956) that should be acknowledged as a serious political mistake by our government and our party, corrected in October 1956, it has been published for more than 40 years, always in the leading group of Polish socio-cultural weeklies. It is a publication so well known in Poland and abroad that it would be foolish to try to characterize it in this relatively short review. (In any case, I devoted much space to it in the second volume of my "Weekly History"). I have not changed my opinion about the enormous role and importance of this publication in Polish culture for quite some time. How characteristic that Catholics could afford such a weekly only in People's Poland, in a situation where, deprived of state privileges, they had to fight hard for a position in the state. But it should be noted that during this period of over more than 40 years, TYGODNIK POWSZECHNY has undergone a significant evolution, not in its standard or nature but in tone. Since 1980 in particular it has become a publication much more aggressive politically, more on the offensive in support for Solidarity, losing its proper restraint. In all the modern Polish Catholic press

and in all the Polish political and cultural press in general, this publication, edited continuously by Jerzy Turowicz with a considerably rejuvenated group of editors, has (and displays [to the reader]) the most intervention by the censor. This intervention testifies to something; as does the fact that the most polemics that the government, party and leftist press carry on with Catholic journalists is conducted with TYGODNIK POWSZECHNY. At the same time TYGODNIK is the publication around which an especially large number of writers gather in more or less close cooperation and who, like Stefan Kisielewski, have belonged forever to the so-called opposition or have joined the opposition recently. Something of a publication for catechumens, sometimes unusual catechumens, somehow practicing but not believing or perhaps vice versa. For over 40 years we have observed the same processes, qualitatively speaking: some of the staff, even those very close to TYGODNIK POWSZECHNY, have gone over to the left side of the intellectual system and others from the right went over to TYGODNIK. In no other Catholic publication has this ideological, intellectual movement been so highly visible. No matter how critically one might evaluate the political stance taken by TYGODNIK POWSZECHNY, one must say that its general contribution to Polish culture, including our political culture, is very high. Without such a TYGODNIK (incidentally, there is no similar Catholic publication in other countries of the socialist camp), our modern culture would be much poorer. One has to carry on polemics with TYGODNIK POWSZECHNY and even quarrel vehemently with it, but one has to appreciate TYGODNIK POWSZECHNY.

Is PAX's KIERUNKI competition for TYGODNIK POWSZECHNY? Its political life has also been stormy, so much so that Warsaw suspended one publication and the Vatican another. The papal index used against DZIS I JUTRO (date of origin 1945) was also a form of punitive suspension of the publication. Including the DZIS I JUTRO years, KIERUNKI has existed for more than 40 years. Its editorial formula is similar to TYGODNIK POWSZECHNY's formula: religious and church issues dealt with in abundance, extensive participation in artistic, cultural, social and state life as well. But the staff is different, as is the group of allies and more distant friends. KIERUNKI, unlike TYGODNIK POWSZECHNY, belongs to those publications openly associated with the political order existing in Poland. But for those 40 years it did not, unlike TYGODNIK POWSZECHNY, create around itself any kind of distinct intellectual group. In both DZIS I JUTRO and KIERUNKI, the editors-in-chief fluctuated too often—currently it is the well-known literary critic Zygmunt Lichniak—and this position has been associated in an extremely fundamental way with the membership of PAX's Main Board more than with the individual passion of a talented person's making his own publication.

Unfortunately, KIERUNKI is still and foremost a PAX publication and only then a Lichniak publication. It would be better for them and for PAX if the opposite were true.

### Continuation or Negation

God! In 1863, the year of the January Uprising, the first edition of PRZEGLAD KATOLICKI was published, as a continuation of the monthly PAMIETNIK RELIGIJO-MORALNY, founded in 1841. It was not until 1907, when the renowned Catholic publicist, Rev Antoni Szaniawski, took over the publication, that it acquired its present colors. The editorial staff began to review the activity of particular political parties in the Kingdom in church fashion. Afterwards it varied. In 1910 a title change to WIARA, in 1914 a return to the old title, in 1915, after the German invasion, publication ceased. It started up again in 1922, ceased publication in the fall of 1939 and began again in 1984. After an interruption of 45 years, under completely different political, social and cultural circumstances, can it so openly make a claim to that publication from the 19th Century? Is it not abuse to place the date of the January Uprising near the title of today's PRZEGLAD when that publication had a diametrically opposite relationship to the uprising than the present PRZEGLAD KATOLICKI has to that uprising (manipulations of this kind irritate me—I have written about this many times, i.e., about the publishing of MUCHA in 1946 as a socialist publication when up to 1939 it was a National Democratic publication; I also condemned the publishing in 1953 of another, political different TYGODNIK POWSZECHNY). Although I must say that the current PRZEGLAD KATOLICKI is a valuable, solid publication. In any case, whatever grievances one can or should have against all the Catholic press, it must be written clearly that its standard has risen considerably. [Is this] the work of the people's state which deprived the church of its privileges and forced it into intellectual rivalry as well? In any case, today there is no longer any infamous MALY DZIENNIK or obscurantist RYCERZ NIEPOKOLANEJ.

Thus PRZEGLAD KATOLICKI. Now a publication in miniature. A weekly in a capsule, a circulation of 40,000. Perhaps a publication deprived of an appropriate recipient? Too full of devotional material for the needs of a Catholic intellectual, too full of relatively intelligent social, cultural and historical analysis for the needs of a simple, pious Catholic. Either homilies and Gospels or analysis; that which can be combined in a monthly of many hundreds of pages with a much smaller circulation cannot be combined, I feel, in a four-page capsule weekly for the intelligentsia.

The editor-in-chief is Rev Waldemar Wojde. On the editorial staff only priests, some well-known (i.e., Waldemar Nieweglowski, Janusz Pasierb, poet Jan Twardowski, poet Andrzej Zuberier). Two lay people: Prof

Andrzej Swiecicki, a member of the Consultative Council of the chairman of the Council of State, and Andrzej Wielowieyski, who declined to join the Consultative Council.

The capsule looks like this: in every issue a great deal, even very extensive purely religious, church material: homilies, sermons, discussion of papal encyclicals, reports from John Paul II's trips. Much, very much information from the life of the church in Poland and the world. A picture of the Warsaw Archdiocese in 1985—in numbers and facts. Papal proclamations. A survey on Vatican II. And more of the same.

One bigger article is devoted to socio-political analysis. For example, Janusz Zablocki (the presence of this activist at this publication may arouse a certain amazement) on issues in Catholic social teaching. Or Jan Kieniewicz on Christianity on India (in connection with the pope's trip). A speech by Slawomir Siwek given at the Press Council of the president of the Council of Ministers complaining of discrimination against the Catholic press in paper allocations. Polemics about the law on mental health. Aleksander Paszynski on shortcomings in residential construction. Of course, the problem of religious studies in the schools. And other, similar articles—not many of them in any case. Since, very often, instead of analysis on modern topics, analysis of historical subjects appears. For example, a very interesting, serial sketch by Jerzy Mikky on Ignacy Potocki and other people from the last quarter century of the First Republic. A sketch by Prof Zbigniew Wojcik on Lithuanian prince Jeremi. An article by Wojciech Ziembinski on the christening of Lithuania and another on Walerian. Jozef Pilsudski on the January Uprising. The memoirs of Pawel Jasienica from his youth in Russia and academic years in Wilno (very interesting). Polemics by L. Dorn (the same one who sharply criticized Solidarity in the Polish-Viennese monthl ZNAKI CZASU) against the published results—dealing with opinions on Solidarity—of public opinion research conducted by the Public Opinion Research Main Center and headed by Col Stanislaw Kwiatkowski. Historical analysis by Aleksander Hall, former Solidarity member (a high opinion of Roman Dmowski and his friends). A sketch by Wacław Jędrzejewicz on Jozef Pilsudski after 1918. In addition, many articles on cultural, literary and art topics. Enthusiastically on the poetry of Herbert. Very critically on Mysliwski's book, "Kamien na Kamieniu." In the Easter issue a very banal conversation on "literature and conscience" (P. Hertz, T. Konwinski, P. Wojciechowski, A. Pogonowska and others). A sketch on Kantor's theater. Bohdan Pocij on Passion music, Krzysztof Kłopotowski on Duda-Grac's painting. Nowak's poetry. Michal Glowinski's literary notes. Columns—very lame ones—by Proj Wojciechowski. Stories by Rev Malinski. Sharp criticism of Charles Dickens' book, "The Life of Jesus Christ" (in the opinion of PRZEGLAD KATOLICKI it should not have been published). A great deal of other material—very good, good, bad and boring—as always and everywhere in the

press. But in sum an interesting publication. As a rule, a politically tranquil publication. Steering clear of irritation but, especially in its selection of staff, in its cultural choices and preference and brief polemics (in the press information column), of a political quality exactly the same as the politics of the episcopate today.

### Two Different Approaches to Politics

TYGODNIK POLSKI, the publication of the Christian Social Association, is edited in a very mannerly way. Is a compliment like this the best evaluation of a publication's value? TYGODNIK POLSKI does not want to offend anyone and avoids extreme positions. The publication's analysis—the main analyst is Stefan Kurecki—is sober, always moderate. TYGODNIK POLSKI does not take up drastic issues and prefers to deal with social matters that interest and worry the majority of citizens of our country: health, social coexistence, retirement, family life, moral renewal, etc. It devotes a lot of space to national history and national culture. Interesting excerpts from Maria Dabrowska's "Dzienniki." Excellent reporting by Ryszard Wojcik—history and moral reporting—on the wartime tragedy of the Jews.

The publication recalls important figures from the 20 interwar years—Pilsudski, Beck, Matuszewski and others. But it finds space—a great deal of it—for the history of the emotions of Delfina Potocka.

In short, a cultural magazine with ambitions. Not political, polemical or analytical enough—at least for my taste. Published circulation: 15,000.

On the other hand, the biweekly published by the diocesan curia in Gdansk, GWIAZDA MORZA, is very openly political. Established in 1936—no doubt in Gdynia—it was revived in 1983 in Gdansk and of course it is a completely different publication. A circulation of 15,000, eight pages, distinguished by its scrupulous typographical form. Although the publication avoids polemics (frequent in other weeklies) with Jerzy Urban, with POLITYKA, with party papers, it is more aggressive in its analysis than other Catholic weeklies. A great deal of space is devoted to purely religious material, but there remains plenty of room to emphasize its political position. This position was formulated without a great deal of obscurity in the article "Who Are We?": "In the years 1979-81 someone tossed a seed into the soil of our homeland. Then came the cold time so that the period of germination could begin. Let us believe that grain will grow from these seeds." From a different pulpit in the Gdansk church the talk is much clearer, but everyone will understand anyway. Historical references are also contemporary. Aleksander Hall, one of the permanent staffers at GWIAZDA MORZA, recalls (the topic of the day in the Catholic press in 1986) academic pledges at Jasna Gora on their 50th anniversary. Nothing but praise, although the event was thoroughly political, organized by the National-Radical Camp and National Democratic youth and did not serve religious issues at all. In

all of the Catholic press, no one reminds us what anti-Semitic, reactionary excesses accompanied that pilgrimage or what its political significance was. No one reminds us because in the Catholic press, where today much is beautifully written about the Jews and wrongs to the Jewish people, no one (more precisely, almost no one, since we can find such references) analyzes to what extent the Catholic Church was the instigator of anti-Semitism at that time. In general GWIAZDA MORZA has very clear historical sympathies: when it writes about the 75th anniversary of scouting, it formulates a eulogy for Rev Kazimierz Lutoslawski, that dreary figure from the history of Reborn Poland. The publication deals with the maritime life, the problems of maritime occupations. Also the life of Polonia. It notes manifestations of Kaszubian culture. It speaks on political matters, using the language of philosophy more than that of politics. Among the writers living in the Tri-Cities, Zbigniew Zakiewicz, Boleslaw Fac, Tadeusz Bolduan and a few others write in GWIAZDA.

Another biweekly, NOWE ZYCIE, published in coarser graphic attire (20,000 circulation) by the Metropolitan Curia in Wroclaw, "Lower Silesia Catholic publication," has a more conciliatory—it would be proper to call it—character. Alongside much exclusively religious, church and paper material, [there are] social and cultural matters. The main analyst of social issues is Rev Jozef Majka. He writes in the article "The Right to the Fruits of One's Labors," that "it does matter whether an employee earns more, pays taxes and supports the state or whether he gets less but socially supports everything." Rev Jozef Majka speaks in favor of the former means of social and state thought and action, and I think he is right. Rev J. Majka writes extensively about work ethics, about problems of freedom. There are many pertinent ideas in this analysis. Family matters and, of course, motherhood. Interviews with people of science (Prof Tadeusz Lepkowski, Prof Zdzislaw Libera, Prof Klemens Szaniawski), with writers (Wiktor Woroszyński, Juliusz Zulawski), with actors (Andrzej Lapicki), with filmmakers (Saniewski, the director of "Nadzor"), with news analysts (Stefan Kisielewski, Piotr Wierzbicki), with activists (Marek Kotanski). An anniversary interview on scouting. All these interviews—although the interviewees are chosen according to a very distinct criterion—avoid flagrant political emotions. Open concern that social and—God forbid—political matters not stifle religious, church and Catholic issues in the columns of the biweekly. Of course, the problem of religious studies in the schools—but without excessive obstinacy—and the anniversary of the Jasna Gora pilgrimage. Insignificant columns by Jerzy Korczak and wise, sensible ones by some "Chimera." Teresa Bojarska's novel about the life of the first Christians.

Czestochowa's NIEDZIELA first appeared in 1926. Revived after a wartime interruption, it stopped being published in 1953. It began to appear again only in 1981. A popular weekly which—perhaps unexpectedly—has

become a platform for very serious Catholic news analysis, also associated for some time with TYGODNIK POWSZECHNY. I am referring to Stanislaw Stomma, Andrzej Micewski and Stefania Wilkanowicz. NIEDZIELA has a reputation as a sharply analytical publication, but that reputation is built more on notes and very brief columns (the magazine has no permanent literary columnist) than longer articles by serious analysts. The publication does not shun polemics and it deals with political analysis but it does so somewhat more deliberately and soberly than TYGODNIK POWSZECHNY, for example.

The magazine gives a relatively large amount of space to matters of family and child-rearing. Interviews with readers, "Love-marriage-family." Child-rearing problems. To a lesser extent [are] national social problems [examined]. Much information about the international church. Two thematic blocs predominate: a large bloc of religious, church and papal matters, current and historical. Articles on religions of the world. Articles on the religious life of Polonia. Reports on papal visits. An article on the 20th anniversary of the famous correspondence between Polish and German bishops. Ecumenical material. An article on the Eastern schism. The text in serial form of the Instructions of the Congregation of Faith and Knowledge, "On Christian Freedom and Liberation."

The second bloc of material: history, broadly perceived. About the late Gen Borut Spiechowicz, about Lelewel, about the anniversary of the Poznan incidents, about Lis-Kukla (this Legion officer has suddenly been recalled in the entire Catholic press), about Romuald Traugut. Remembrance of the poetry of Stanislaw Balinski.

Stanislaw Stomma's analysis often has a historical character as well: interesting polemics with Szymon Rudicki (author of a book on the National-Radical Camp [ONR]) on renderings of the ONR, recollections about May 1926, recollections of Wilno and its academic community. On the other hand, Micewski has carried on polemics with Jerzy Urban and others on the matter of religious studies. NIEDZIELA creates the impression of a publication entangled, somewhat against its will, in politics too big for its aspirations.

Those are all the Catholic weeklies currently published in our country. A year ago we had one more—LAD, published in large format and marked by enormous political temperament. It became famous, during the latter part of its four-year existence, through the sensational matter of the "life after life" of Edward Rydz-Smigly—a young historian said he had found evidence that Rydz-Smigly did not die in 1941 but was alive during the Warsaw Uprising, imprisoned by Grot-Rowecki. It was not this sensation that caused the interruption in publication, however. Its source was the internal conflicts of the

Polish Catholic-Social Union's political group, who published LAD. A shame, perhaps. The publication had its own temperament and character—although it was hard to agree with it. But magazines are not published to sow agreement....

I should also deal with Catholic monthlies (bimonthlies, quarterlies), of which there are very many, but that will be the next "guide."

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### Defense Committee Meetings

#### Communal Issues Examined

26000730 Gdansk *DZIENNIK BALTYCKI* in Polish  
3 Jul 87 p 2

[Unattributed article: "Voivodship Defense Committee Meets in Gdansk"]

[Text] The Voivodship Defense Committee met in Gdansk with Manfred Gorywoda, deputy premier and chairman of the Council of Ministers Planning Commission.

Stanislaw Bejger, deputy member of the PZPR Central Committee Politburo and first secretary of the Gdansk Voivodship PZPR Committee, and Professor Wlodzimir Zwierzykowski, chairman of the Voivodship People's Council, also participated in the meeting.

The defense committee examined the realization of specific economic tasks with special consideration of the Gdansk-Sopot-Gdynia metropolitan region's communal infrastructure and how to improve its current functioning and its functioning under extreme conditions.

After the meeting, the deputy premier joined the Gdansk voivode in an inspection of the "East" waste treatment plant currently under construction in Gdansk.

#### Juvenile Crime Discussed

26000730 Zielona Gora *GAZETA LUBUSKA* in Polish  
3 Jul 87 p 2

[Article by (z.z.): "The Gorzow Voivodship Defense Committee on Prevention of Juvenile Crime"]

[Text] Juvenile crime has clear connections with the growth of civilization. A characteristic aspect of such crime is the fact that the greatest number of juvenile crimes are found in rapidly-growing cities in which youthful criminals can exploit their anonymity. Undoubtedly, the chief cause of juvenile crime is parental neglect of duties.

The problem of juvenile crime was discussed at the latest meeting of the Gorzow Voivodship Defense Committee. Data provided by the voivodship's prosecutor's office, the courts, police, and educational authorities show that

youth are still endangered by demoralization. This makes it necessary to intensify measures aimed at preventing youth social maladjustment. These measures are carried out by voivodship and regional groups for youth crime prevention and resocialization. Other actions are also being taken to increase the number of youth-care facilities.

The conclusions reached by the defense committee stress the need to create a unified educational front of families, schools, cultural establishments, youth organizations, and sport clubs. It was also stated that special emphasis must be placed on work with parents.

In a later point of the meeting, the defense committee also learned about the realization of defense tasks in selected places of employment.

The meeting was chaired by the committee chairman, Gorzow Voivode Stanislaw Nowak, and was also attended by First Secretary of the Gorzow Voivodship PZPR Committee Wiktor Kinecki.

#### Nowy Sacz Focus on Crime

26000730 Krakow *GAZETA KRAKOWSKA* in Polish  
27-28 Jun 87 p 2

[Article by (ss): "Meeting of the Nowy Sacz Voivodship Defense Committee"]

[Text] (Own information) Yesterday, the Nowy Sacz Voivodship Defense Committee held its latest meeting. The committee members learned about the realization of tasks set by the government program for prevention and suppression of social pathology in four selected agricultural organizations in Nowy Sacz Voivodship. The committee analyzed the situation in the Voivodship Union of Farms and Agricultural Circles and Organizations, the Voivodship Union of "Peasant Self-Help" Community Cooperatives, the Voivodship Union of Horticultural and Apicultural Cooperatives, and the Voivodship Union of Dairy Cooperatives. It was acknowledged that the right measures are being taken but these actions must also be intensified. The principles of the law aimed at preventing crime must be unconditionally enforced. It is also necessary to raise social awareness through correct and attractive forms of ideological indoctrination. The defense committee meeting was chaired by a member of the voivodship party committee's secretariat and chairman of the Voivodship PZPR Review-Audits Commission, Grzegorz Jawor.

#### Military Recruitment Emphasized

26000730 Krakow *GAZETA KRAKOWSKA* in Polish  
2 Jul 87 p 2

[Article by (Ryszard Gil): "Meeting of the Voivodship Defense Committee in Katowice—Attractive Specializations in Military Schools"]

[Text] Military education has a rich tradition in Poland, the military vocational schools' level and range of education as well as their conditions of study and relaxation have made them more and more attractive places of learning.

The addition of new and interesting specializations such as aviation, arts schools, and general-education secondary schools has also increased their popularity.

Yesterday's meeting of the Katowice Voivodship Defense Committee was also dedicated to assessment of the activities of the Voivodship Coordinating Committee for Recruitment of Candidates to Military Schools.

At this time, there is a candidate recruitment campaign underway in the voivodship. Graduates of graduate schools, vocational schools, and primary schools are receiving interesting offers to study military academies, higher officer's schools, warrant officer's schools, and military general-education secondary schools. Under this campaign, there have so far been some 400 meetings with young people which were attended by 10,500 persons. Almost 1,000 pupils have participated in specially-organized trips to military vocational schools and units.

During its meeting, the defense committee stressed the great role of youth organizations, party committees, and especially places of employment in directing their employees into studies at military vocational schools. A special role has also been played by schools and educational establishments. The idea of patriotic-defense training finds its chief expression in teaching correct attitudes of patriotism.

Patriotic and defense training of youth is handled under a specially developed system. Such training is chiefly conducted during lessons in the Polish language, history, civics, and social sciences. Military and defensive training is an integral part of the didactic and educational process.

Aside from program activities, an important role is played by various special events and contests such as the "Fit Like a Soldier," "Silver Muskets" shooting contest, technical-defensive maneuvers, contests between school safety teams, the "Poland Lies on the Baltic" sailing contest, civil defense knowledge contests and others. Nearly 200,000 pupils took part in various types of schools.

The Voivodship Defense Committee also learned about the social and political situation and the state of public order and safety in the voivodship.

The defense committee meeting was chaired by the committee deputy chairman and the chief of the Voivodship Military Staff, Brigadier General Jan Lazarczyk.

#### **Local Military Recruitment Meeting**

26000730 Bydgoszcz *GAZETA POMORSKA* in Polish  
26 Jun 87 p 9

[Unattributed article: "On Military School Recruitment

[Text] Assessment of the present results of recruitment to various types of military schools was the subject of yesterday's meeting of the voivodship commission coordinating recruitment to vocational military schools. The

meeting was chaired by Ryszard Zawiszewski, secretary of the Bydgoszcz Voivodship PZPR Committee. It was stated that despite the fact that general plans in this area have been realized, there is still a constant shortage of candidates for study in higher officer's schools. This sets certain tasks for the youth and social organizations at educational establishments and in all levels of administration. The foremost task is to propagate among the graduates of secondary schools better opportunities for vocational military service after graduation from military schools, higher officer's schools, and warrant officer's schools. There remains a good selection of candidates but there are also still some empty spots in the higher officer's schools for mechanized troops, tank troops, rocketry and artillery troops, air defense troops, engineering troops, chemical troops, signals corps, and radiotechnical troops. There seems to be a similar situation in several warrant officer's schools and namely in the schools for quartermaster and construction services, border defense troops, and topographical services. All young people wishing to learn an interesting profession and devote themselves to military service can receive more specific information from the voivodship recruitment office at Ulica Szubinska 1 in Bydgoszcz or at Swieciu 1 in Inowroclaw.

During the meeting, Marian Jochman and Eugeniusz Banaszewski received gold medals and Andrzej Przeczewski received a bronze one for "Meritorious Service for National Defense."

Problems in recruitment for military vocational schools were also discussed yesterday by the Voivodship Defense Committee which during this meeting also received information about the course and results of an audit of the realization of defense tasks in Bydgoszcz Voivodship. The committee also decided that members of the defense committee should participate as much as possible in visiting children's summer camps in order to better organize summer vacations.

#### **Defense Committee Reproaches Official**

26000730 Wroclaw *GAZETA ROBOTNICZA* in Polish  
27-28 Jun 87 p 5

[Text] Yesterday, the Walbrzych Voivodship Defense Committee met under the chairmanship of Voivodship Governor Wladyslaw Piotrowski. The realization of social, economic, and defense tasks at the Road-Building Materials Mine in Borowo and Dobromierz was discussed. A series of conclusions were reached. The head of the village of Dobromierz was sharply criticized for poor realization of his service responsibilities.

16662

#### **Press, Personnel Changes, Media Developments, May 1987**

26000782b Warsaw *PRASA POLSKA* in Polish  
July 1987 pp 49-57

[Article: "Chronicle"]

[Excerpts]

4 May:

- Editor Marian Podkowinski received the Vorovskiy International Publicistics Award of the USSR Journalists' Union for his series of articles and essays championing peace and stronger mutual trust and cooperation among countries and nations.

7 May:

- In Warsaw the Club of Aviation Journalists, SD PRL [Journalists Union, Polish People's Republic], organized a meeting with the management of the AERO-POL Enterprise on the topic of aviation services for the national economy.

11 May

- Andrzej Nierychlo was appointed deputy editor-in-chief of PRZEGLAD TYGODNIOWY and at the same time recalled from the post of editor-in-chief of ITD.

11-12 May

- In Bielsko-Biala the Parliamentary Reporters' Club, SD PRL, held a session on the activities of the Bielsko-Biala Voivodship Caucus of Sejm Deputies in, among others, such fields as environmental protection, folk culture in the Beskidy Piedmonts, civic feats, public health, and tourism.

15 May

- Marek Siwec was appointed editor-in-chief of ITD and at the same time recalled from the post of editor-in-chief of STUDENT.
- Eugeniusz Wodzicki was recalled from the post of editor-in-chief of MERKURIUSZ.

18 May

- At the seat of the PZPR Central Committee annual awards of ZYCIE PARTII, granted for party articles published last year in the regional dailies and voivodship weeklies of the PZPR, were distributed.

In the PZPR regional newspaper category the first individual prize was received by Bronislaw Morawski of the Kielce SLOWO LUDU; the second prize by Marek Ksiazek of GAZETA OLSZTYNSKA; and two identical third prizes, by Wieslaw Kandziora of GAZETA POZNANSKA and Teresa Slocinska of GAZETA POMORSKA.

A special award was granted to Bogdan Holub of the Gdansk weekly WYBRZEZE.

In the PZPR voivodship weekly category the second prize was awarded to Edward Antczak of the weekly ZIEMIA KALISKA, with three third prizes going to Eugeniusz Krolicki of TYGODNIK RADOMSKI, Jan Boleslaw Nycek of TYGODNIK PLOCKI, and Eugeniusz Pietruszkiewicz of the Suwalki weekly KRAJOBRAZY.

In addition, team awards were granted: in the newspaper category the first prize was awarded to the team of GAZETA KRAKOWSKA and the second to the team of

GAZETA LUBUSKA. Among the weeklies the first prize was won by the team of ZBLIZENIA from Slupsk and the second, by the staff of TYGODNIK PILSKI.

18 May

- At the Warsaw Center for GDR Culture and Information the Club of Foreign Publicists, SD PRL, organized, jointly with the Center's management, a meeting with Dr Juergen Hoffmann of the Academy of Social Sciences in Berlin.

19 May

- At the Polish Television Building in Warsaw the Club of Foreign Publicists, SD PRL, organized for its members a showing of satellite-TV programs, preceded by a professional lecture.
- At the Warsaw House of the Journalist the Polish Club for Foreign News Reporting distributed its annual awards.

19-20 May

- In Wodzislaw and Bytom the Club of Mine News Reporters, SD PRL, organized a session on the subject of Polish mine rescue activities.

20 May

At the Warsaw House of the Journalists the Club of Foreign News Reporters, SD PRL, organized a meeting with the Extraordinary and Plenipotentiary Ambassador to Ethiopia and South Yemen, Andrzej Konopacki.

21 May

- At the Warsaw House of the Journalists the Club of Foreign News Commentators, SD PRL, organized, jointly with the Novosti Press Agency Office in Warsaw, a meeting combined with the showing of films on the life of the Catholic Church in the USSR.

25 May

- In Poznan the Club of Transport and Communications Reporters, SD PRL, organized a meeting with representatives of the management of Polish State Railroads (PKP) on the subject of the modernization and automation of PKP marshalling yards. During the meeting the performance of the restructured Poznan-Franowo Marshalling Yard was inspected.

26 May

- At the Japanese Embassy in Warsaw a ceremony was held of the bestowal of the Grand Ribbon of the Order of the Sacred Treasure, granted by the Emperor of Japan, on Editor Mieczyslaw Rog-Swiostek, chairman of the Polish-Japanese Society.

27 May

- In Warsaw the Club of Automotive News Reporters, SD PRL, organized a meeting with the Director of POLMOT Wieslaw Grad.
- At the Warsaw House of the Journalist the Club of Socio-Legal News Reporters, SD PRL, held a meeting on the subject of "Administrative and Economic Decisions and Some Causes of Law Circumvention." The meeting

was attended by representatives of the Supreme Administrative Court and the Procurature General.

28 May

- At the Warsaw House of the Journalist, the Polonia Club of the SD PRL held a meeting with the recently elected Secretary General of the "Polonia" Society for Liaison with the Foreign Polonia, Ambassador Jozef Klasa, who discussed the implementation of the program voted at the Sixth Congress of the "Polonia" Society.
- At the Warsaw House of the Journalist, the Club for Cultural Problems, SD PRL, held a meeting with the directors of the major publishing houses, the Chairman of the Society of Book Publishers Stanislaw Bebenek, and Director Stanislaw Piasecik of the Ministry of Culture. The main topics of the discussions were the Warsaw International Book Fair, the Days of Culture, Book, and Press, and publishing problems and plans for the next year.

29 May

- Jan Glowczyk was decorated with the Order of the Friendship of Nations, conferred on him by the Presidium of the USSR Supreme Soviet in recognition of his contribution to the friendship and cooperation between the PRL and the USSR and in connection with his 60th birthday.

30 May

- At the Warsaw House of the Journalist the Deputy Chairman of the SD PRL, Editor Marian Kruczkowski, met with a group of young reporters from developing countries who are attending a postgraduate course in this country organized, as part of cooperation with the UNESCO, by the Ministry of Foreign Affairs, the Prasa-Ksiazka-Ruch RSW [Workers' Publishing Cooperative], the Committee for Radio and Television, and the Polish UNESCO Committee.

Editor Marian Kruczkowski, along with SD PRL Secretary Wieslaw Marnic and Director of the Office for Foreign Cooperation, SD PRL, Helena Wasielewska, answered the questions of young reporters, who were chiefly interested in Poland's economic situation, various aspects of the press law and the censorship decree, and the foreign cooperation and membership structure of the SD PRL.

1386

#### Video Control Provisions in New Film Law Viewed

26000778g Warsaw *POLITYKA* in Polish No 33, 15 Aug 87 p 12

[Article by (KTT): "Pirates" under the rubric "Polish Cuisine"]

[Text] A week ago I had incidentally mentioned the decree on cinematography recently passed by the Sejm, citing it as an example of broader and more general

matters. However, quite a few people have been asking me various questions bearing on that decree, and hence I am going to discuss it and its implications at some length.

To filmmakers, whose representatives from the Association of Polish Filmmakers had so ardently supported that decree, being blind to its deficiencies and shortcomings — despite warnings by experienced third parties — I can only reply in the words of [the humorist] Galczynski: "Chcieliscie ustawy? No to ja macie, skumbrie w tomacie!...." [You wanted a decree? Well, you got it, you mackerel in tomato sauce!....] Most people are, however, interested in a more important aspect of that decree, namely, that concerning the video and all its derivatives.

More important? Yes, my friends: I have on hand the latest United States statistics showing that while in 1981 the major American film producers had derived 60 percent of their income from theatre showings, 30 percent from television, and 10 percent from videocassettes, by 1986 theatre showings accounted for about 30 percent, television for 20 percent, and videocassettes for about 45 percent. For 1991 it is expected that, while income from television will remain unchanged, income from theatre showings will decline to 20-odd percent, and income from videocassettes will account for nearly 50 percent. The "home video" market has already overtaken the motion picture theatre market, and everything indicates that it will continue to race ahead.

Now our decree, in the form voted by the Sejm, defines "film" as "a series of successive images, with or without sound accompaniment, perpetuated on any carrier that makes possible multiple reproduction, producing the impression of movement, and constituting an original whole expressing action (content) in individual form." Since the reference is to "any carrier," this also applies to magnetic tape in the form of the videocassette. As for "film production," it is defined as "the recording of image and sound on any carrier," and "film dissemination" is defined as "sales of film copies based on any equipment and any carrier and on own [the filmmaker's] cost-accounting procedures" as well as "the leasing of a film copy duplicated by means of any equipment and on any carrier, for use by the leasee."

This has to be known and borne in mind in order to understand subsequent provisions of the decree and to have no doubts that films on videocassettes are "film"; their production and duplication (outside of duplication for personal use, e.g., from a television program) certainly are "production," and their lending in video stores is certainly "dissemination." For subsequently, in its Article 51, the decree states that "the right to exclusivity in film production and processing belongs to cinematographic organizations and the Committee for Radio and Television," and in Article 52, "The right to exclusivity in film distribution belongs to cinematographic organizations and the Committee for Radio and Television."

This splendidly fortified government monopoly has only two escape hatches: Paragraph 2, Article 51, and Paragraph 4, Article 52, which specify in an analogous manner that "the Chairman of the Committee (for Cinematography) may authorize other bodies than those referred to in Paragraph 1 to engage in production (distribution) on terms and for the duration to be specified in the authorization."

What does this mean in plain Polish? It means that not only any company engaging in videotaping, such as for example the company being advertised in the newspapers by the actor Trzeciak, who hires himself out to videotape marriages, weddings, and funerals, but also any store lending out films on videocassettes is henceforth obligated to apply for a license to the chairman of the Committee for Cinematography, on the terms and for the duration dictated by him as he sees fit.

One might ask, what is wrong with that? After all, we are living in a socialist state, that is, in a state in which the film "is the most important of fine arts," and in which for more than 40 years no one has been allowed to engage individually in publishing a periodical or a book or in making a film—unless, that is, he is backed by a bishop or even by the entire church. But the times are changing and so now, following the passage of the press decree some time ago by the Sejm, the first privately published periodical, the monthly RES PUBLICA, has already appeared, although it does not, of course, represent the strongest argument [in favor of liberalization].

On the other hand, strong arguments are provided by practice and by what is happening throughout the world. Specifically, the United States videocassette film industry estimates that it loses about US\$1 billion, meaning about 15 percent of its income, owing to "pirated" taping and distribution of film videocassettes. On the market there appear splendidly packaged videocassettes containing films not yet shown in motion picture theatres, thus harming the business of film studios. It has also been found that two legally purchased videocassettes of a film suffice to supply "pirated" copies of the film to 16 countries, both by video stores and through sales to private buyers.

As regards our video market, and our video stores, I estimate that in Poland at least 10 million videocassettes are in circulation among 600,000 videocassette recorders — and that, of a certainty, not 15 but at least 95 percent of these videocassettes contain "pirated" copies, videotaped from satellite television, brought in from abroad, etc. And what we can be proud of is that Poland already ranks ninth among the European countries with the most videocassette recorders, and is becoming a major and significant video market.

Americans cannot cope with videotaping "piracy," which violates authors' and producers' copyrights, although a recording technique termed "Macrovision," causing pirated copies to emit a kind of sound pulses ruining the

videocassette recorder has allegedly been devised in that country; it has been successfully applied to the film "Back to the Future." But the weekly NEWSWEEK, which provided this news item, commented gloomily, "Considering the existing difficulties, the film industry can expect that videotaping piracy will continue on its present scale."

Of course, we will be even less able to cope with this piracy, because, first, our film industry is incapable of competing with it seriously by providing legally videotaped cassettes, even ones containing films that are yet to be shown in motion picture theatres. (Who would want to buy or borrow a videocassette of "Disaster in Gibraltar"?). Second, because it is incapable, if only owing to lack of foreign exchange for importing blank videocassettes or acquiring rights, of producing film videocassettes (even if it could do so, which I doubt). And third, because, lastly, it is in no way capable of that monitoring of the legality of origin of the film videocassettes loaned out in video stores which is being demanded by United States producers.

But, in the light of the decree, inasmuch as the chairman of the Committee for Cinematography is to license video stores, he logically is responsible for them. In this country this problem is additionally complicated because, while in the United States, when piracy is proved, Mister Smith from the film industry is able to sue Mister Johnson for pirated videotapes containing United States-made films, in this country we view videotapes of foreign films made by the MGM, Columbia, Warner Brothers, Golland-Globus, and whoever else. These foreign companies, on finding that their films are being loaned out without their permission by Polish video stores authorized by the Committee for Cinematography, will now have the right to appeal to that Committee for the income thus owed them. This is no longer the affair of Pan Kowalski or Pan Marczak who, on receiving permits from gmina office, manage a video store as if they were street vendors of seltzer or as if they were managing a greengrocer's shop (although they too are liable to being sued for legality of distribution and respect for authors' copyrights) — no, this also is the affair of the state. Was this intended by the framers of the decree?

Our state is tremendously valued in Europe as a bastion of peace, but it is somewhat less valued as a trade partner. Experience shows that a Polish company operating under, e.g., the aegis of the Ministry of Foreign Trade has smaller opportunities for foreign trade than when the same company operates under a different name through its branch office in Switzerland or Luxembourg. The launching of a videotaping industry in Poland, which is not only necessary but also feasible, requires participation by a foreign partner, even if only by one who would provide blank videocassettes and also place orders which would be cheaper for him to be placed with Poland than with another company in his own country.

Such arrangements could be made through the mediation of various Polish-foreign joint ventures, that is, mixed companies, but they cannot be made so long as — please do not be offended — on the Polish side official approval by the Committee for Cinematography, Polish Film, or some other such organization is required. Here what matters is not capital contributed by the state — that is greatly to be desired — but the company itself. This may be unpleasant but true. The requirement of approval by the Committee for Cinematography of all projects dealing with videotaping, as ensuing from the decree, restricts and complicates the possibilities for action. Was this intended by the framers of the decree?

Having gotten what they wanted, the framers of the decree left to take their vacations, I suppose. I wish them a genuinely pleasant vacation, because upon their return they will meet with troubles which they had not previously anticipated.

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**Party Activities Calendar, 3-16 August 1987**  
*26000787 Warsaw ZYCIE PARTII in Polish 26 Aug 87*  
p 21

[Article: "Party Chronicle: 3-16 August 1987"]

[Text]

Sessions of the Central Committee Politburo:  
11 Aug

- The Politburo considered observations and conclusions from visits to harvesting operations, farms, and agricultural service center, as well as to youth camps.
- The activities of the control and audit commissions of basic party organizations and state control agencies in combatting occurrences of economic pathology were examined.

Conferences and Meetings:

4 Aug

The following members of the Politburo and Secretariat of the Central Committee held meetings at plants, factories, villages, and various occupational and professional communities:

- First Central Committee Secretary Wojciech Jaruzelski in company of Zbigniew Messner familiarized himself with the work of farmers, the performance of agricultural service centers, and the working conditions in agricultural and food processing plants in the Rzeszow and Przemysl voivodships.
- Alfred Miodowicz traveled to Siedlce Voivodship where he toured the Maciejowice SKR [Agricultural Cooperative Circle] and the Gmina Cultural Center and Combined Agricultural School in Mietne.
- Włodzimierz Mokrzyński toured Kielce Voivodship, familiarizing himself with the work at the cooperative farm in Konskie and visiting a scout and Pioneer youth group as well as the "Vanguard of the

21st Century" camp of the ZSMP [Union of Polish Socialist Youth] in Siep....[as published]

- Zofia Stepien familiarized herself with the operations of the Kamyk SKR [Agricultural Circles' Cooperative], the Cooperative Agricultural and Food Combine in Smugi, the Seed Center in Klubuck, and the Cooperative Agricultural and Food Combine in Lipie, all in Czeszochowa Voivodship.
  - Stanislaw Bejger toured the KOPEROL Agricultural Cooperative in Zduny and the KOCIEWIE Agricultural Services Cooperative, as well as meeting with the executive board of the party committee at the Nowa Wies State Farm, all on the Gdansk Seacoast.
  - Bogumil Ferensztajn toured the Raciborz region, where he visited the Raciborz State Farm, the Zabelkowo RSP [Agricultural Producer Cooperative, and the Scout Troop in Rudy Raciborskie.
  - Gabriela Rembisz was in Wielkopolska where she toured Tarnowo Podgorne Gmina, which had suffered hail and a downpour, and the Dzialyn State Farm Combine in Klecno Gmina.
  - Kazimierz Cypryński toured the Lublin region, where he had a meeting with members of the "Vanguard of the 21st Century" Camp in Ostrow Lubelski.
- 5 Aug

- First Central Committee Secretary Wojciech Jaruzelski continued his visit to the southeastern region of Poland. He visited troops of the Vistula units of the MSW [Ministry of Internal Affairs] and of brigades of the WOP [Frontier Troops] working on the military farm of the MSW. He also visited agricultural plants in the region and was welcomed by the youth vacationing in the Bieszczady. W. Jaruzelski's visit to that region ended with a meeting with members of the leadership of the Rzeszow Voivodship PZPR Committee.

9 Aug

- Merited worker movement activist Antoni Posnik celebrated his 75th birthday. On the occasion, First Central Committee Secretary Wojciech Jaruzelski directed a letter with best wishes to the jubilee celebrant. The letter from the First Central Committee Secretary was transmitted by the Chairman of the Central Committee's Taskforce for Merited Worker Movement Activists Wladyslaw Honkisz.

10 Aug

- First Central Committee Secretary Wojciech Jaruzelski visited members of the "Vanguard of the 21st Century" Camp housed at the Central People's University of the ZSMP [Union of Polish Socialist Youth] in Rozalin. He was accompanied by Minister for Youth Affairs Aleksander Kwasniewski.
- During his visit to Poland the Politburo Member and Korean Labor Party Central Committee Secretary Jon Hion Muk was received by Deputy Prime Minister Zbigniew Szalajda and Candidate Member of the Politburo and Secretary of the PZPR Central Committee Zbigniew Michalek.

12 Aug

- Central Committee Secretary Stanislaw Ciosek and Director of the Socio-Legal Department under the Central Committee Andrzej Gdula met with Member of the Central Committee of the CP of Cuba and Director of the Department for Religious Affairs Jozef Felipe Carneado during his visit to Poland.

13 Aug

- First Central Committee Secretary Wojciech Jaruzelski received the newly appointed PRL [Polish People's Republic] Ambassador to the Federal Republic of Germany Ryszard Karski.
- On the same day Wojciech Jaruzelski received the PRL Ambassador to Hungary Zenon Czechowicz and the Ambassador to Great Britain Zbigniew Gertych.

14 Aug

- Central Committee Secretary Kazimierz Cypry尼亚k received a delegation of the Kursk Oblast CPSU Committee headed by CPSU Central Committee Member Aleksandr F. Gutkov, during its visit to Poland at the invitation of the Skierniewice Voivodship PZPR Committee. The meeting was attended by First Secretary of the Skierniewice Voivodship PZPR Committee Leszek Miller.
- Politburo Member and Central Committee Secretary Jozef Czyrek received merited worker movement activist Marian Naszkowski and transmitted to him a letter from First Central Committee Secretary Wojciech Jaruzelski with cordial greetings on the occasion of his 75th birthday. Chairman of the Central Committee's Taskforce for Merited Worker Movement Activists Wladyslaw Honkisz was present at the meeting.

At Party Echelons and Organizations:

6 Aug

- Candidate Member of the Politburo Gabriela Rembisz visited Czarnkow (Pila Voivodship), familiarizing herself with recreational conditions for children at Poznan STOMIL's summer camp.

7 Aug

- Candidate Member of the Politburo and First Secretary of the Gdansk Voivodship PZPR Committee Stanislaw Bejger visited Choczewo Gmina, where he familiarized himself with harvesting preparations and the recreational facilities for youth at ZHP [Polish Scout Union] camps.

14 Aug

- Central Committee Secretary Stanislaw Ciosek inspected the implementation of socioeconomic tasks, and especially the harvesting operations, in Bialsk Podlaska Voivodship. In addition, Stanislaw Ciosek met with members of the "Vanguard of the 21st Century" Camp in Bialka near Parczew.
- Politburo Member and OPZZ [National Trade Union

Alliance] Chairman Alfred Miodowicz visited the workforce of the WEDEL [Chocolate Factory] in the Nation's Capital.

15 Aug

- The Pila Voivodship PZPR Committee discussed aspects of moral health and struggle against manifestations of social pathology in the voivodship. The deliberations were attended by Politburo Member and Minister of National Defense Army General Florian Siwicki.
- Central Committee Secretary Andrzej Wasilewski took part in the Fifteenth "The Young and the Cinema" Festival in Koszalin.
- A special taskforce of the Bialystok City PZPR Control and Audit Commission considered the responsibility for the dysentery epidemic in Bialystok Voivodship. The taskforce administered a party reprimand to the Chairman of the Bialystok Dairy Cooperative Wojciech Maj and accepted his resignation from that post. The Chairman of the Voivodship Dairy Cooperative Stanislaw Konwerdej was given a party reprimand and his party recommendation for the office he holds was withdrawn.

Interparty Cooperation:

14-16 Aug

- The 24th National Conference of the Communist Party of the United States was held in Chicago. Its deliberations were attended by a PZPR delegation consisting of Janusz Urbaniak, first secretary of the Sieradz Voivodship PZPR Committee, and Jozef Kustry, director of the Secretariat of the Foreign Department under the Central Committee.

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**Catholic Weekly Critiques Labor Code Changes**  
*26000778f Katowice GOSC NIEDZIELNY in Polish*  
*No 33, 16 Aug 87 p 1*

[Article by Janusz Bargiel: "No Flour Will Be Baked From This Bread" under the rubric "Observations"]

[Text] On 29 May RZECZPOSPOLITA published proposed amendments to the labor law code. So far—and the period of the so-called broad social consultation is coming to an end—there has been no great public interest in this matter. This is hardly surprising. The complete text of the proposed amendments has not been published anywhere, which renders practically impossible any discussion of the matter on its merit. What has been published is merely "theses" and their broad justification. The propaganda river of words will not replace experts on the legal issues involved, and yet it is precisely their opinions that should initiate general public discussion.

The timing of the public consultation on such an important matter as revisions of the law heretofore regulating employee-employer relations is surprising, to say the least. Last June the Holy Father visited Poland and it could be seen in advance that this event would overshadow other matters. As for the subsequent summer months, they have been the months of summer vacations. All this, taken together, prompts considerable wariness about the intentions of the author of these proposed amendments.

For while it is obvious that the labor law should be consonant with the already adopted decrees on trade unions and state enterprises, the proposals for restricting employee rights elicit objections, since they represent a step backward compared with not only current regulations but also the legal solutions of the interwar period.

It is not feasible to discuss all the proposed amendments in this column, so I will confine myself to three groups of problems.

First, it is proposed that employees shoulder part of the burden of the factory's production risk. Heretofore the employee has had the right to receive wages not only for working but also for his readiness to work (during stoppages), and has not been held financially responsible for shoddy work owing to defective materials or improper technology. But now the proposed amendments envisage that the employee is to be responsible, with loss of pay as the penalty, not only for the quality of his own labor but also for the quality of the performance of preceding stages of production. Enterprises implementing the program for economic recovery (and which enterprises, if any, should not?) will, under the new proposals, be empowered to cut for six months the wages of employees to levels corresponding to their wage categories. They will also be empowered to shorten by half the required period of prior notice of termination of employment (with the exception of the 14-day period), thus burdening the employee with the negative financial consequences of this decision, which moreover will also entail other negative consequences.

Second, it is proposed that protection of both the permanence of labor relationship and working conditions be curtailed. Thus, a factory is to have the right to transfer an employee for six months during each calendar year to work other than that specified in his labor contract. Employees can thus be "loaned" to other enterprises. Moreover, the factory director will no longer be duty-bound to justify the decision to terminate a labor contract.

Third, the proposals contain a number of new disciplinary sanctions and regulations that bind the employees to their workplaces. For example, they admit the possibility of penalizing an employee for disturbing order and work discipline without a prior hearing and double the duration of the period for which penalties can be imposed. They also introduce new kinds of penalties under which

employees can be transferred for three months to less qualified and low-paid jobs. Irrespective of the other penalties, they also propose shortening the period of vacation leave for each day not at work. Employees who quit their jobs are to pay the factory financial compensation equal to their wages for two months of work. Moreover, it is proposed that seniority allowances and anniversary awards be made contingent on the duration of employment within the plant in which the employee is currently working. The possibility of termination of labor contracts through agreement by both parties is substantially reduced, as well.

These and many other changes in the labor law code are said to be justified on the grounds of requirements of the economic reform. This view cannot be accepted. Orders and prohibitions will not release the energies of the society, so needed to overcome the economic crisis. Orders and prohibitions promote neither the economic reform nor national reconciliation. Contrary to what some think, man is not a simple system whose responses hinge solely on properly selected external reinforcements. "Man is not alone," said John Paul II during the mass for working people on Zaspas in Gdansk. "Man lives with others and through others. The entire human existence has a proper community dimension—and a social dimension. This dimension may not signify diminishing the individual, his talents, his potential, or his tasks. It is precisely from the standpoint of the social community that there must be enough room for each and every one. It is an important task of the state to provide that room, so that everyone can, through work, grow personally and develop his calling. This personal growth, this room for the individual in community life, is at the same time a precondition for the common good. If man is deprived of these possibilities, if the organization of collective life imposes too narrow a framework on the human potential and individual initiative—even if this is done in the name of some social motivation—this is unfortunately aimed against the society, against its good, and against the common good." The pope spoke about us and for us. But the pope has departed and we are left with not only his words but also problems, such as precisely this amending of the labor law. Let us not overlook it, bearing in mind that "the problem of work continues to be the basis of authentic progress and liberation of man."

1386

**Party Activities Calendar, 6 July-2 August, 1987**  
*26000782a Warsaw ZYCIE PARTII in Polish*  
*12 Aug 87 p 21*

[Unattributed article: "Party Chronicle: 6 Jul-2 Aug 1987"]

[Text]  
Sessions of the Central Committee Politburo:  
7 Aug

- The Politburo evaluated the implementation of the resolutions of the 10th PZPR Congress with respect to construction. The evaluation of preparations for the second stage of the economic reform included examining the course and results so far of the discussion of theses and the directions of the work to implement their intent.
- The Politburo considered a report on the course of the visit of Wojciech Jaruzelski to Japan.

28 Aug

The Politburo:

- considered yet again the state of preparations for introducing the second stage of the economic reform;
- evaluated the effectiveness of the Decree on Education in Sobriety and Counteracting Alcoholism;
- listened to a report on harvesting preparations;
- considered the course and results of the visits to Poland by the Secretary General of the Romanian CP and President of Romania Nicolae Ceausescu and the Secretary General of the People's Revolutionary Party of Campuchea and Chairman of the Council of State of Campuchea Heng Samrin.

Conferences and Meetings:

6 Jul

- Politburo Member and Central Committee Secretary Jozef Czyrek met with a delegation of the parliamentary caucus of the FDP in the Bundestag, headed by the chairman of that caucus Wolfgang Mischnik, during its visit in Poland.

8 Jul

- The International Commission of the Central Committee discussed jointly with members of the Propaganda Commission of the Central Committee problems of shaping Poland's image in the world and coordinating foreign information and propaganda activities and the tasks of improving that coordination. The deliberations were chaired by Politburo Member and Central Committee Secretary Jozef Czyrek.
- Politburo Member and Central Committee Secretary Jozef Czyrek received the delegation of the Chinese Democratic League, headed by Vice Chairman of the Central Committee of the People's Republic of China Qian Weichang.

9 Jul

- At the invitation of the First Central Committee Secretary and Chairman of the Council of State Wojciech Jaruzelski the Secretary General of the Romanian Communist Party and President of the Socialist Republic of Romania Nicolae Ceausescu paid a working visit to Poland.

10 Jul

- Politburo Member and Central Committee Secretary Jozef Baryla received a delegation of the USSR Military Procurature headed by Prosecutor-in-Chief Lieutenant General Boris Popov, during its visit in Poland.
- At the USSR Embassy in Warsaw was held the ceremony of conferral of the Order of Friendship of Nations upon Politburo Member and Central Committee Secretary Jan Glowczyk. The conferral was performed by Ambassador Vladimir Brovikov. Present were: Politburo Member and Central Committee Secretary Jozef Baryla and Central Committee Secretary Henryk Bednarski.
- On the occasion of the 40th anniversary of the Polish Institute for International Affairs Politburo Member and Minister of Foreign Affairs Marian Orzechowski met with its staff.

11 Jul

- In Warsaw a graduation ceremony was held at the Feliks Dzerzhinskiy Military Political Academy. The graduates received their promotion diplomas from Politburo Member and Central Committee Secretary Jozef Baryla and the Chief of the Main Political Directorate of the Polish Army Division General Tadeusz Szacilo.

13 Jul

- First Central Committee Secretary Wojciech Jaruzelski received a delegation of the German Communist Party, headed by Herbert Mies, during its visit in Poland. The meeting was attended by: Politburo Member and Central Committee Secretary Jozef Czyrek, Presidium Member and German CP Board Secretary Karl Heinz Schroeder, and Director of the Foreign Department under the PZPR Central Committee Ernest Kucza.

15 Jul

- On the 577th anniversary of the victorious battle on the Grunwald Fields a patriotic mass rally was held. It was attended by: Politburo Member, Vice Chairman of the Council of State, and Chairman of the National Grunwald Committee Kazimierz Barcikowski, Central Committee Secretary Henryk Bednarski, and the Chief of the Main Political Directorate of the Polish Army Div Gen Tadeusz Szacilo.
- USSR Ambassador Vladimir Brovikov met in Warsaw with lecturers from the PZPR Central Committee, PZPR voivodship committees, ZSL [United Peasant Party] Supreme Committee, and the Main Board of the TPPR [Polish-Soviet Friendship Society] to discuss the course and results of the June CPSU Central Committee Plenum concerning restructuring the management of the economy in the USSR.

21 Jul

- First Central Committee Secretary Wojciech Jaruzelski received Politburo Member and CPSU Central Committee Secretary Viktor Nikonov, sojourning in Poland on a working visit. The meeting was attended

by Candidate Member of the Politburo and Secretary of the PZPR Central Committee Zbigniew Michalek and the Director of the Foreign Department under the PZPR Central Committee Ernest Kucza. USSR Ambassador Vladimir Brovnikov was present.

- First Central Committee Secretary and Chairman of the Council of State Wojciech Jaruzelski received the Federal Secretary of Foreign Affairs of Yugoslavia Ralf Dizdarevic during his official visit to Poland. Minister of Foreign Affairs Marian Orzechowski was present at the meeting.
- On the eve of the Holiday of Rebirth members of the Politburo and Secretariat of the Central Committee held meetings with the workforces and staffs of certain plants and institutions. Thus:

- Jan Glowczyk toured the RSW Intaglio Printing Works in Warsaw and met with the managing staff of the Prasa-Ksiazka-Ruch RSW [Workers' Publishing Cooperative], the Polish Press Agency, the Committee for Radio and Television, and certain publishing houses, dailies, periodicals, and the SD [Democratic Party];
- Wlodzimierz Mokrzyszczak paid a visit to the crew of Brzeszcze Mine.
- Zygmunt Muranski toured the ENERGOPOL Machinery and Civil Engineering Enterprise in Czestochowa.
- Zofia Stepien visited the workforce of the mother enterprise — the STRODOM Flax Industry Plants in Czestochowa.
- Marian Wozniak visited the workforce of the WARSZAWA Rolling Mill, formerly NORBLIN.
- Bogumil Ferensztajn toured the TRZEBINIA Metallurgical Works.
- Janusz Kubasiewicz met with employees of the WARYNSKI Construction Machinery Plants in Warsaw.

22 Jul

- On the occasion of the 43rd anniversary of the PKWN [Polish Committee for National Liberation] Manifesto, there was a solemn trooping of colors of the Warsaw Army Garrison on Victory Square in front of the Tomb of the Unknown Soldier. The ceremony was attended by members of the highest authorities, including Army General Wojciech Jaruzelski, Roman Malinowski, Tadeusz Witold Mlynczak, and Jan Dobraczynski.

23 Jul

- Politburo Member and Central Committee Secretary Marian Wozniak met with representatives of the leadership of the Polish Economic Society. Preparations for the congress of economists scheduled for November were discussed.

27 Jul

- Politburo Member and Central Committee Secretary Jozef Baryla met in the Central Committee Building with representatives of the Karol Roloff-Mialowski

Brigade from Cuba, ending their visit of several weeks to Poland.

- Under the chairmanship of Politburo Member and Central Committee Secretary Marian Wozniak a regular meeting of the Presidium of the Team for the Economic Education of the Public under the Central Committee was held.
- Politburo Member and Central Committee Secretary Jozef Baryla received a delegation of the Stavropol Kray CPSU Committee headed by CPSU Central Committee Secretary and First Secretary of the Stavropol Kray CPSU Committee Ivan Boldyrev. The delegation was visiting Poland at the invitation of the Kalisz Voivodship PZPR Committee.

29 Jul

- First Central Committee Secretary Wojciech Jaruzelski received a delegation of the Main Board of the Polish Society for Political Sciences (PTNP). PTNP Chairman Professor Longin Pastusiak presented to the First Secretary a compilation of the views of political scientists titled "The Sociopolitical System of the PRL [Polish People's Republic] in the 1980's. Diagnoses and Prognoses."

#### At Party Echelons and Organizations:

8 Jul

- Politburo Member and Chairman of the OPZZ [National Trade Union Alliance] Alfred Miodowicz visited employees of the POKOJ Iron and Steel Plant in Ruda Slaska and examined the course of its reconstruction and the working conditions of the workforce.

9 Jul

- The Czestochowa Voivodship PZPR Committee discussed aspects of complaints, letters, and signals from the population addressed to PZPR echelons and organizations. Politburo Member Zofia Stepien participated in the deliberations.
- The Nowy Sacz Voivodship PZPR Committee discussed the development of cultural activities in the region.
- At the "Vanguard of the 21st Century" Camp in Baworowa, Jelenia Gora Voivodship, Politburo Member and Central Committee Secretary Tadeusz Porebski met with gifted youth from the Legnica, Opole, Walbrzych, and Wroclaw voivodships.
- While visiting a similar camp in Lubliniec, Czestochowa Voivodship, Candidate Member of the Politburo and First Secretary of the Katowice Voivodship PZPR Committee Bogumil Ferensztajn chatted with youth from Katowice Voivodship.

10 Jul

- The Bialystok Voivodship PZPR Committee discussed aspects of scientific progress, technology, and

organization as linked to the socioeconomic development of the voivodship. Politburo Member and Central Committee Secretary Marian Wozniak took part in the deliberations.

- The Szczecin Voivodship PZPR Committee discussed economic tasks for the third quarter of the year.

16 Jul

- The Bielsk Automobile Plant was toured by Politburo Member and Minister of Foreign Affairs Marian Orzechowski.

17 Jul

- Politburo Member and Minister of Foreign Affairs Marian Orzechowski attended a meeting of his basic party organization at the LUBIN Copper Mine in Legnica Voivodship.
- The FUMOS Casting Equipment Factory in Skierniewice was officially named for Boleslaw Bierut. The ceremony was attended by Candidate Member of the Politburo and First Secretary of the Warsaw Voivodship PZPR Committee Janusz Kubasiewicz. A son of B. Bierut, Jan Chylinski, was present.

27 Jul

- Politburo Member and Minister of Foreign Affairs Marian Orzechowski met with the workforce and aktiv of the Harvesting Machienry Factory in Plock.

#### Interparty Cooperation:

23-25 Jul

- An official friendship visit to Poland was made by a party-state delegation of the People's Republic of Campuchea headed by the Secretary General of the People's Revolutionary Party of Campuchea and Chairman of the Council of State of the People's Republic of Campuchea Heng Samrin. First Central Committee Secretary and Chairman of the Council of State Wojciech Jaruzelski and Secretary General of the PRPC and Chairman of the PRC Council of State Heng Samrin held a talk. The results of the visit were assessed in the published communique.

27-30 Jul

- Poland was visited by a delegation of the Department for Party and Mass Organizations under the Central Committee of the Hungarian Socialist Labor Party, headed by Istvan Petrovski. The delegation was received by PZPR Central Committee Secretary Kazimierz Cypryniak. The meeting was attended by the Director of the Political-Organizational Department under the PZPR Central Committee Stanislaw Gabrielski.

1386

#### LITERATURNAYA GAZETA Editor Visits 26000778b Bydgoszcz GAZETA POMORSKA in Polish 31 Jul 87 pp 1,2

[Article by (MEH)]

The Soviet weekly LITERATURNAYA GAZETA, the organ of the Board of the USSR Writers Union, has many readers in Poland. Those who do not read that periodical in the Russian language often read its articles in Polish translation in our press or learn about them through discussions in our press. Recently this has been happening quite often, for LITERATURNAYA GAZETA has become one of those periodicals that head the struggle for restructuring sociopolitical and economic life in the Soviet Union, for a broadly conceived "perestrojka" and "glasnost." Besides, LITERATURNAYA GAZETA had blazed the trail for these developments even earlier. It was thus with great interest that we awaited the visit by the Deputy Editor in Chief of LITERATURNAYA GAZETA, Yuriy Poroykov, who arrived in Bydgoszcz yesterday. He was accompanied by the Editor in Chief of the weekly RZECZYWISTOSC, Jerzy Pardus, and the director of the cultural department of that weekly, Jan Marszalek. The visitors were received by Secretary of the Bydgoszcz Voivodship PZPR Committee Zenon Zmudzinski. The meeting afforded an opportunity for an exchange of views on the revolutionary changes in the Soviet Union. The Soviet guest was interested in problems of party work in Bydgoszcz and in the socioeconomic and cultural life of the voivodship. Such also were more or less the topics of the Soviet guest's meetings with the sociopolitical aktiv of the Graphic Works named after the Commission for National Education and the Bydgoszcz Furniture Factory. The discussion that took place, following the visits to both plants, touched upon many topics and certainly contributed to a better understanding of the changes that have taken place in the last few years in our eastern neighbor. The Soviet guest and his entourage also toured the Forest Park of Culture and Recreation in Myslecinek and met with representatives of the literary and journalistic community.

1386

#### Kiev Students Visit Krakow 26000778d Krakow GAZETA KRAKOWSKA in Polish 30 Jul 87 p 6

[Article by (JK)]

Tuesday evening a 20-member group of students from the Taras Shevchenko University in Kiev arrived in Krakow. The Soviet guests, students in political economics and history at the Kiev university, paid a reciprocal visit to Poland. Previously, they had hosted for 3 weeks our students in political sciences and history from Jagiellonian University. They had given them guided tours of Kiev, Moscow, and Leningrad, showing the most interesting landmarks in these cities. Now it is their turn to

come to Poland, and Polish students will care for their fellow students from Kiev and organize their leisure time. The program for the visit will include a meeting with the heads of the institutes of history and political sciences and, of course, a tour of the landmarks of Krakow. Excursions to Wieliczka, Zakopane, and Poronin also are scheduled. In addition, the guests from the USSR will spend several days in Warsaw. We wish the Kiev students a pleasant stay in our country.

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### Talks With Soviet Filmmakers

26000778a Warsaw *POLITYKA* in Polish No 32,  
8 Aug 87 p 2

[From the interview with Teresa Soltysiak in ITD, 12 Aug 87]

[Text]Janusz Majewski, Chairman of the Association of Polish Filmmakers, declared, "...A delegation of Polish filmmakers talked with their Soviet colleagues.... On the occasion, we discussed Polish-Russian and Polish-Soviet relations in the last 200 years and their depiction in our films. Both sides expressed the conviction that a new look should be taken at these matters and the blank spots ["biale plame"] of history should finally be rubbed out. We resolved to organize shortly a meeting to discuss these problems and view pertinent sample film excerpts. We also discussed the problems we have been encountering in filming sensitive events. So far we have been bound by principles which by now look simply ridiculous. For years we have been showing no Russians in our films except in those dealing with World War II. And

vice versa. In this respect a morbid caution was dominant. The image of the cossack in Polish cinema smacks of a political 'affaire,' although in the history of both nations he symbolized the oppressor."

1386

### Soviet Friendship Society Camp

26000778e Rzeszow *NOWINY* in Polish 3 Aug 87 p 1

[Article by (wab): "School Camps for TPPR Aktivs"]

[Text] (Own information) In Przemysl Voivodship, 254 school circles of the Polish-Soviet Friendship Society [TPPR] are currently operating. Ninety activists from these circles in the voivodship have since 1 August been staying at a camp in Radawa (Wiazownica Gmina). They will remain in that camp until 15 August. As we were informed by the camp director, the Director of the High School of Economics in Jaroslaw, Franciszek Grabowski, the program for the two-week stay in Radawa provides for many interesting events. Among other things, the young people will be taken on excursions to the Lenin Museum in Poronin, and they also will take part in a Soviet song contest and the quiz "We Learn About the Land of Our Friends." Also scheduled are meetings with Polish World War II veterans of the Soviet Army. Scheduled for 13 August is a meeting with a 50-member group of Soviet Pioneers who will, under a reciprocal exchange agreement between Lvov Oblast and Przemysl Voivodship, stay at a summer camp in Horyniec Zdroj. The participants in the camp for the aktiv of the TPPR school circles will not merely enjoy rest and recreation. In addition, through joint effort, as a volunteer civic feat, they will perform various chores benefiting Radawa and its inhabitants.

1386

## ALBANIA

### More Extensive Use of Domestic Pig Iron Urged 21000063 Tirana ZERI I POPULLIT in Albanian 8 Jul 87 pp 1, 2

[Article by Paulin Radovani: "Possibilities Exist for Our Foundries To Use Domestic Pig Iron"]

[Text] At a time when the foundry producing molds in the "Drin" factory of Shkoder is using 100-percent domestic pig iron, all the other foundries in the country are using 100-percent imported pig iron. Substitution of only 10 percent of imported pig iron by domestic pig iron in these foundries would save over \$200 million per year. Export of molds produced with domestic pig iron is three times more economically profitable than the export of pig iron.

The party has instructed that in work to substitute domestic materials for imported ones, we must not limit ourselves only to the substitution of steel. There are many other materials that are recommended for import by all branches of the economy and even by the machine industry. One of these comprises 20,000 tons of pig iron, with which all the foundries of the country, which use 100 percent of it, work. The only exception is the foundry that produces molds in the "Drin" factory in Shkoder, which uses 100-percent domestic pig iron, with which it produces every year hundreds of tons of grinding frames for cement plants, products which, a few years ago, were imported at very high costs.

Given this fact, it will occur to the reader—quite correctly—to ask for an explanation of why all the other foundries use 100-percent imported pig iron when this foundry uses 100-percent domestic pig iron for production. Our pig iron has several special characteristics with respect to the pig iron that we have continually imported: there is, in its composition, a high percentage of nickel and chrome.

This makes it more difficult to process mechanically and more brittle than other pig irons, due to the strength imparted by these two elements. Of the characteristics that it has, this one is close to that required in the production of molds. But must the instance of its use for molds be considered special and must we consider it correct that in all other production by foundries it cannot be used in any percentage, but must 100-percent imported pig iron continue to be used? No. Possibilities exist which, along with good work that is being done to replace imported steel with domestic steel, will also permit the gradual replacement of imported pig iron with domestic pig iron.

What are these possibilities? In the nomenclature of castings made by every foundry, there are also such rolled metal products as covers, supports, counterweights, molds, grating for roads and sidewalks, large frameworks and foundations, and so forth, some of

which either are not processed mechanically or fulfill a static function during work. These can be cast with domestic pig iron, aside from many other rolled metal products that technology requires should be cast with white pig iron, whose characteristics are close to those of domestic pig iron.

Classification of rolled metal products that every foundry casts is thus a way of introducing the use of domestic pig iron into these foundries.

Are there any examples of practical application of this means?

At this time, in the mold foundry, 250 pieces of grating for sidewalks are being cast, and preparations are being made to cast several tons of rolled metal for the railroad locomotive and car yard in Durres, aside from more advanced casting of covers for transporter rollers, various slabs, and so forth.

But do we have any other way of increasing the level of use of domestic pig iron?

In the metallic loading of pig iron smelting furnaces, it is possible to experiment with alloying specific percentages of domestic pig iron—with low percentages of chrome—with imported pig iron, an alloy that can be easily calculated accurately, where the recovered materials and the imported pig iron will lower the percentage of chrome and nickel in the domestic pig iron, and we will benefit by this type of pig iron that creates the possibility of increasing the variety of rolled metal products that are cast with pig iron in whose composition domestic pig iron is included.

Such efforts can also be made in replacing some pig iron rolled metal products with those of steel, where working conditions permit, bearing in mind that many users make substitutions of this kind for their needs. Rolled metal products made of carbon steel cost 10 percent less than those made of pig iron of the usual types, which are cast in electric furnaces, because the recovered steel is used to their advantage.

A specialist may ask why we should introduce such a method, when the state is bringing us pig iron from abroad. Another question is: "What will happen to the scientific experience we have gained over the years in the processing of imported pig iron?"

What would the answer be?

Such a method will lead us to an increase in the level of utilization of our pig iron and to the normal development of production. All the foundries are complaining about the lack of imported pig iron, even the "Enver

Hoxha" tractor combine in Tirana, its greatest consumer, since it has been supplied for six months, with only about half of the planned amount, leaving, together with other machine sources, hundreds of articles unmanufactured.

This is occurring at a time when the "Steel of the Party" metallurgical combine in Elbasan, after "glutting" the "Drin" factory las year with domestic pig iron, which the latter used to overfill tangibly the production plan for molds, arranged work so that the factory should lower its production rate, in order that this great quantity of molds might be consumed by cement factories. And what is happening? Now the metallurgical combine is complaining that the "Drin" factory has requested too little raw material, but the "Drin" factory is not complaining that it has no raw materials. In this factory, therefore, we are seeing profit from domestic pig iron. In the meantime, it must be emphasized that lowering import requirements for imported pig iron by only 10 percent and replacing it with domestic pig iron saves the economy over \$200 million per year.

As far as scientific work is concerned, the specialists themselves must admit that steel works much better in the country's foundries, but with the exception of the Tractor Combine and machine sources for the oil industry, the others process the pig iron we import very badly. In view of this, the time has come to begin better scientific work to utilize domestic pig iron. It is not enough to say that the world uses wet pig iron, by means of which lighter bodies are made for machines; we must also study and work to utilize domestic pig iron, which also has characteristics similar to those of wet pig iron, and not to offer this only in trade for export at a time when we import pig iron.

But, in order to introduce such problems, we must first change the concepts that "pig iron is smelted and not produced," that "it is placed into a furnace in its virgin state, becomes liquid, and fills molds." These concepts are combatted when the specialist remains close to the process the whole time and directs it.

It is a fact that there is no scientific organ from the grassroots to the central department that is occupying itself with the problem of extending utilization of domestic pig iron, although the problem does not need to be studied from a distance, but only locally.

Foreign firms, having had in mind the large reserves of chrome in our country, in advertising lines for the production of molds that they have approached us to buy (while the workshop has been set up by our efforts), have been sending samples and showing that the best molds are those that are made with inclusion of large quantities of chrome in the pig iron. The result of this is that our pig iron has a high content of this chrome, which we are struggling to reduce. For that reason, our molds are very strong. Bearing in mind, therefore, that we have sold our pig iron for prices over three times higher than those

envisioned for export, we have proposed that efforts should be made to export molds for the free productive capacities that we have in this workshop, also because of the fact that such workshops are set up by our efforts and cost nothing. There are firms abroad that have sold others tens of thousands of tons of molds with a very low chrome content.

The proposal has been supported by the State Planning Commission, and its directors are interceding with the organs of foreign trade, which have required that the necessary data should be sent to them and that a quantity of production should be prepared for this purpose.

Nevertheless, the proposal remained inactive, because after having eliminated the observations of users, an internal porosity sometimes began to appear in these products, although their use increased and the need for them in the country was reduced. The specialists have not come up with a solution to this porosity, and they have tried to justify it by the fact that the "Steel of the Party" metallurgical combine in Elbasan has increased the percentage of chrome to too great an extent. This is due to the fact that there are concepts in our country regarding the use of our pig iron, and because of the low level of knowledge. This causes all the defects of production to be attributed to the particular characteristics of domestic pig iron.

Help is required, since there is no scientific organ occupying itself with the problems of domestic pig iron. The data on the problem indicate that the export of molds is three times as profitable for the economy as the export of pig iron. The intensive and complex development of our socialist economy assigns and will assign such problems to science, along with ways of practical implementation of tasks faced by the party, especially those it places on the shoulders of production.

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## BULGARIA

### **Economist Angelov Discusses Resistance to Change**

*22000252 Sofia POGLED in Bulgarian 20 Jul 87 pp 11-12*

[Interview with Ivan Angelov, dr of economic sciences: "Motive Forces and Resistance"]

[Text] For the time being the Regulation on Economic Activities is being applied quite restrictively. Its most important parts, its "bearing structure," such as prices, taxes, interest rates, basic wages, ways of shaping the wage fund and foreign exchange coefficients, remain unchanged. The new ones are only being developed and are to become effective at the beginning of next year. Meanwhile, that which should and could be applied entirely is being applied only partially or not at all. This pertains, for example, to relations between enterprises—

trusts and associations and state authorities; planning; investment policies; technological renovation and quality of output; commercial activities; and contractual relations.

Ask me about the reasons: It is difficult for these parts of the regulation to operate in full and entirely without economic regulators. Compromises and the use of some administrative instruments this year are inevitable.

Even those parts of the regulation which could be put into effect under such relatively difficult conditions are also not being used because of the passive (and, in some cases, active) opposition of the administrative bureaucracy, starting with its upper levels and on down to the middle ones.

Claims that the use of economic management methods and a conversion to self-government create confusion in the national economy are groundless. Some people are trying to make the regulation responsible for disproportions, shortages, poor production, labor, contractual and financial discipline, the poor quality of goods and services, and the empty shelves in the stores.

In my view, this is an effort on the part of the opponents of change to shift the blame to the wrong party.

Anyone familiar with the motive forces of the economy knows how powerful the inertia of this system is and realizes that the present difficulties are the product of many years of encrustations, including the alienation and apathy of millions of people, as a result, among others, of the excessively centralized administrative methods of economic management, methods which ignored their interests.

Consequently, the reasons for irregularities in the national economy are not found in economic methods and self-government but conversely, in the lack of economic methods and true self-government.

To blame the Regulation on Economic Activities for the current disproportions, shortages and other deformations in our economy would be the equivalent of blaming a dog on a leash for the fact that the wolves killed a few sheep in its herd.

Anyone who tries to solve the difficult economic and social problems which have accumulated by turning back to centralized command methods would be committing a grave error. This applies to quality as well. The state inspection of goods is hardly the most efficient means of upgrading quality. Problems cannot be solved this way. The solution lies in the application of a firm line of self-government, combined with the application of a strongly developed system of economic regulators and economic competition among enterprises. The solution is found in economic and social rationality rather than coarse bureaucratic administration and arbitrary commands.

[Question] What are the difficulties in switching from administrative to economic management methods?

[Answer] Restructuring should affect not only the economy but also the superstructuring, the political one in particular. Radical changes must be made in the mechanisms and methods of party management of economic activities. Without such a systematic approach no economic restructuring is possible. However, such restructuring must be profound and apply to all layers of social relations. The establishment of new organizational and management structures must be consistent with the new type of economic relations and be truly meaningful.

A drastic redistribution of administrative functions is necessary, from top to bottom, observing the principle that anything that the enterprise or trust can accomplish should be accomplished there. The higher administrative structures, as self-government authorities, within the framework of the competence granted to them by the self-governing organizations which have constituted them, must deal mainly with strategy and policy.

Restructuring will be a lengthy, conflicting and painful process.

The economy is a complex system. Time is needed to activate it. Time is also needed in order to change the direction or nature of this motion (from extensive to intensive orientation). This affects the interests of millions of people, interests which are frequently conflicting and perhaps even antagonistic. A change is required in these people's way of thinking and behavior. The legacy in the material and technical base is a difficult one: hopelessly obsolete machines and equipment; old-fashioned production, technological, economic and other structures; and chronic acute shortages, most of which are the result of the administrative management system. In order to be truly complete, restructuring will also require a respective renovation of leading cadres, for the simple reason that most of them either are unable or unwilling to restructure themselves. They are as they are. Many among them will remain as they are, for which reason they will resist.

We can already distinguish between two different types of opposition which we are encountering. This clash will become even stronger in the years to come.

I would describe the first type of opposition as selfless.

It is the result of a sincere belief in the accuracy of the old methods and in the power of appeals, initiatives, admonitions and instructions; in the hope that it would suffice to address ourselves to the conscience, the awareness and the patriotic feelings of the people; in a belief in the omnipotence of administrative approaches, etc.

Dealing with such people will be relatively easier. We should explain to them attentively and patiently the nature of new developments and the reason for them. They may not help us but perhaps they will not hinder us or at least would hinder us less.

Resistance caused by inertia could be classified as selfless opposition. Until recently most economic managers complained that everything had been prescribed to them from superior bodies. After the initial steps were taken to free their hands, many of them became confused and some of them even began to dream of the good old days. This category of people will always seek reasons outside themselves—blaming suppliers, the drought, the thaw or the change of seasons.

I would describe the second as the selfish opposition.

Most likely, it will come from a certain stratum of people who have no lofty objectives, ideas and criteria. Such people are satisfied with mediocre work and their demands of life are also mediocre. They are not willing to pay the proper "price," i.e., to work more intensively, to gain higher skills, to be disciplined, in order to earn higher wages and live better. They like their life as it is. In all likelihood, this opposition will be both lengthy and durable. In no case should we underestimate it.

Another type of selfish opposition will appear as well. Some management cadres realize that self-governing will deprive them of their power, of the possibility to command large armies of administrators and feel the pleasure of giving unappealable orders and enjoy the subservience and total obedience of others. They enjoy the power to distribute indiscriminately millions of leva in state and public funds and some of them even like to use such funds for personal enrichment.

In the course of time a large number of people have properly mastered the art of applauding always anything which comes from higher authority for the sake of preserving their soft jobs and the firm privileges which go with them. The question is when were such people sincere, was it in the past or is it now? .pa We can also ask ourselves whether people who enthusiastically agree with everything could be sincere at all.

These same people now welcome enthusiastically the party decisions concerning socialist self-government. They have memorized a few modern statements on this topic and demonstrate them pathetically. Deep within themselves, however, they love command administrative methods and their actions show that they reject an equal dialogue, preferring a dictatorial monologue. No restructuring is possible with such people. In the best of cases they can only simulate restructuring.

A high percentage of such people have no imagination or a feeling for creativity, being the "children" of the administrative system. This system gives birth to good executors who wait for instructions from above but have

never learned how to think for themselves on the major problems, solve them, display economic initiative, risk, create, fall and stand up again as they aspire to the new, the unknown, the better. These people are alien to the feeling of perennial dissatisfaction experienced by seeking and restless spirits. What matters to them is to receive an order from above, to observe it strictly and report quickly. This is the source of their strength. Left without orders and prescriptions from above, they fall in a state of weightlessness.

The conscience of some of them may not be entirely clean, for had they committed crimes in the past, under the conditions of true socialist self-government they would be answerable for their actions. The wind of renovation will blow across all dark and moldy corners of our society and will probably bring to light some dirty consciences.

### The Economic Application of Ownership

[Question] We are speaking of the economic application of ownership. How can you explain this concept?

[Answer] It is difficult to interpret exhaustively such a complex matter. It is no accident that the science of economics in the socialist countries has still not provided an answer, although lately it has been advancing in the right direction.

Let me discuss partially several aspects.

Political economy textbooks teach us that under socialism it is nationwide ownership that prevails, that we are the co-owners of the means of production, that there is total harmony in interests, that what is good for society is automatically good for the individual, that as co-owners we do not sell our manpower, which is not a commodity and, consequently, has no value, and so on, and so forth. Socialist political economy is as yet to express its views on such nice sounding but, unfortunately, inaccurate and, in some cases, erroneous formulations; it must find the accurate solutions as a result of free and creative debates. .pa Indeed, should we not think about the type of co-owners and managers we are, considering that the criminal encroachment on socialist ownership has assumed such widespread dimensions and after many people have begun to confuse their own pockets with those of the state, after virtually all of us have shut our eyes to waste and scandals. We try to assuage our consciences with the notorious expression "Is it up to me to straighten the world out?"

The logical question arises: What owner, co-owner or manager would encroach on his own property or would observe indifferently the way it is being wasted? Why is this happening?

This is because the essential characterization of socialist production relations has still not been successfully translated into a practical, understandable and efficient language of mechanisms which control reciprocal relations in production, distribution, exchange and consumption; mechanisms which determine the behavior of labor collectives and individual working people regarding means of production and produced commodities. Socialist production relations have not become an efficient socialist motivational mechanism which can strongly influence and predetermine the thinking and behavior of the socialist working person. However, it must operate not with the help of appeals, initiatives and moralistic teachings but by developing real interests and combining the various types of interests. It is precisely at this point that the connection is broken.

One of the features of the motivational mechanism of socialist self-government is the existence of direct and live ties between the socialist working person and property. This can be achieved by creating and developing within him the feeling (naturally, the true feeling and not propaganda) that he is the true co-owner and manager of this property, multiplying its forms, making it more personalized, and reinterpreting the criteria of the maturity of the various forms of socialist property.

The social sciences are as yet to issue an opinion on such problems. They will be reassessing inherited dogmas and dead scholastic structures. This must be accomplished with the help of free, highly professional and civilized debate, without labeling, with mutual respect for different opinions, and without bypassing or ignoring any "sensitive" topic. No one must have a monopoly on the final truth. Truth can be proved only through arguments and exclusively in the course of open and free debates.

Such considerations raise the question of the place of cooperative ownership within the set of forms of socialist ownership. Has the time not come to eliminate all and any restrictions which were imposed in the past on cooperative ownership? Cooperative ownership could blossom again and experience its second socialist youth by successfully supplementing and, wherever possible and necessary, competing on an equal footing with state ownership. This will develop an atmosphere of competition between the two forms of public ownership and lead to the development of the one which is more vital and economically more successful.

Now that we are proclaiming the principles of self-government and development of socialist democracy, why not give the right to previously nationalized economic organizations to decide independently whether to regain their cooperative status or to continue to operate as state enterprises? This applies above all to agriculture, the former labor-production cooperatives and many others.

For example, why not grant brigades and agroindustrial complexes in agriculture the right to choose for themselves (without any outside pressure, persuasion or directing) whether to retain their present status or become true cooperative agricultural enterprises. The Politburo decision on the cooperatives provides the necessary political platform to this effect.

I am convinced that socialist Bulgaria can only gain from such a daring political step and that our descendants will be grateful to us for the fact that despite our confusions, in the final account we found the true way. Let this way be chosen by millions of people rather than in executive sessions. What more direct democracy than this could there be! And what could be a more convincing example of self-government!

### **Business Participation**

[Question] You spoke in favor of a "business participation" of the working people in the production assets of enterprises in a March 1986 Radio Sofia broadcast. Let us go back to this topic.

[Answer] When I speak of "business participation" as an efficient form of increasing the interest of the individual workers in improving work in their enterprise and their active involvement in common projects, I have in mind giving the rights to individual workers, specialists, managers and labor collectives or to some of them at least to use some of their savings to purchase shares in the capital assets of socialist enterprises.

Certain restrictions will be necessary with a view to preventing any eventual attempts at speculating with such shares:

No more than a certain percentage of productive capital could be purchased, not to exceed 10 to 15 percent; most of the capital will remain property of the state. Such maximal percentage figures should be refined and established by the state;

No more than approximately 20 percent of the annual earnings of a worker, specialist or manager can be set aside for the purchase of shares. This maximal percentage as well will have to be set by the state;

Such a maximal percentage will apply only to wages earned in the enterprise in which the citizen performs his main job. It will not apply to any outside income;

The citizens may earn interest (dividends) from their stock only as long as they work in the respective enterprise. If they leave the enterprise or economic trust, they lose their right to dividends and the funds they have invested are refunded to them. An exception to this rule may be allowed only in specific cases, such as if a transfer

is based on superior interests and considerations and does not take place on the initiative of the respective citizen, or else if a reorganization has taken place by government decision;

A citizen who transfers to another enterprise or economic trust must mandatorily start such investments anew if he so desires. Generally speaking, the purchase of shares in all cases must be voluntary;

By decision of the labor collective, the right may be granted to retirees who have worked without interruption a certain minimum of time in the respective enterprise, let us say 15 to 20 years, and who have contributed significantly to the development of the enterprise, to earn such dividends. However, this right cannot be inherited.

The use of such a mechanism for share participation would contribute to strengthening the attachment of individual working people to their enterprises. It will make them feel to an even greater extent as their true owners and managers of the enterprise. Global experience leads to believe that this would significantly reduce turnover, which is a scourge of our economy.

If the system of participation with stock is applied so extensively and successfully in the capitalist countries, why not use it under our conditions as well in involving the people in common projects of self-governing socialist organizations? The more so since in terms of its nature, this system is closer to the principles of our socialist society than it is to capitalist society and is consistent with the spirit of the party concept for developing socialist self-government.

The possibility is not excluded that some people will oppose this idea, fearing that it would undermine the foundations of socialist ownership. This matter as well could be debated openly. Furthermore, let us ask the views of workers and specialists.

### Measured Lack of Guarantees

[Question] You have repeatedly favored social and economic lack of guarantees under socialism. What are your arguments?

[Answer] Our 40-year experience leads to the conclusion that socialism needs a certain dose of social and economic lack of guarantees. Full guarantees concerning the future kill incentives for zealous and conscientious work, the aspiration to improve, scientific and technical creativity and economic enterprise. Without excluding the right of existence of other views or the need for further debates on this topic, to me this conclusion is unquestionable.

We have no serious scientific studies on such matters—economic, sociological, philosophical or psychological. This topic was essentially a forbidden area of thinking

and scientific quest. The approach was primitive and dogmatic: Social and economic uncertainty is an evil and, like all evils, it is inherent only in capitalism, whereas full social and economic security is a supreme good which, like all goods, is inherent only in socialism. Social practice, however, proved to be much more complex. One of the many lessons which it teaches us with the perfect logic of a most impeccable educator, is that life is more than simply black and white. Hundreds or even thousands of other shades and combinations exist in between.

It is true that our ideology is more progressive, more just, more humane and more noble than any ideology ever known in global history. However, this does not mean that it is impeccable and that it should not be improved further, for in the opposite case it would be no different from a religious dogma.

A number of delicate and complex problems arise also in connection with the numerous deformations with which real socialism is saturated. We, Marxists, must provide clear answers to such questions. We must not allow the existence of an intellectual and information vacuum which has given pleasure to the enemies of our revolutionary doctrine for many long years.

Consequently, before proceeding with our answers, we must undertake more profound, impartial and unprejudiced studies of the problems related to social and economic lack of guarantees or of guarantees under socialism and their extent.

[Question] In your view, what are suitable means for establishing controlled social and economic lacks of guarantees?

[Answer] Wages are one of them. They may be used to develop an atmosphere of dosed-out lack of guarantee through a number of channels. For example, a strong differentiation in wages could be based on results. Wages should be paid only for well-done work, for useful end results. Those who produce goods considered mediocre from the quantitative and qualitative viewpoints would receive mediocre wages, and vice versa. If the quality is poor there would be no wages and no sentimentality!

Wages must not be guaranteed or else if they include a certain guaranteed minimum, the minimum should be sufficiently low (down to the level of the minimal wage) in order to have a strong influence. In the same area we could use the principle of joint responsibility by linking the wages of all members of the collective to the end results of the work of the enterprise. Naturally, the extent of this joint responsibility should be one for the rank-and-file worker and entirely different for the director and his deputies.

In the next few years we should also begin to use the mechanism for the elimination of economically and socially weak enterprises, once we have exhausted all

means to improve them. This is also stipulated in the Regulation of Economic Activities. The time has come to change directions in the redistribution of resources.

So far the resources of properly working enterprises have been appropriated and given to those which do poor work. This created an atmosphere in which working well was meaningless. A lack of guarantee can be developed also by promoting economic competition among enterprises. For the time being, we have political decisions on this matter and a great deal has been said but no action has followed. I am pleased that this idea has been included in the resolutions of the June CPSU Central Committee Plenum.

In the next few years we must determine the minimal volume of social guarantees offered to every conscientious citizen. This would include the gradual widening of the range of paid services, increasing the production of such services and sensibly increasing their prices, naturally while fully and honestly compensating the people earning low wages or living on their pension.

A greater differentiation in retail prices of goods and services, based on their quality, could also develop an atmosphere of lack of guarantee.

### Unemployment and Socialism

[Question] What is your attitude toward the creation of a situation of lack of guarantees through unemployment?

[Answer] After the possibilities in the areas we indicated have been exhausted, and should it turn out that they are insufficient to assume the entire burden of performing the function of dosed-out social and economic lack of guarantee, we should consider the expediency of having "employment" assume some of the burden.

In this case emotions or what we once read in political economy and philosophy textbooks, would be of no help. The allergic avoidance of this topic is equally useless, for it exists. This is not only a question of a topic. However much we may swear that unemployment is not inherent in socialism and however often we may be repeating that in our socialist economy there are full employment and even manpower shortages, of which we are even proud, considering this to be our advantage compared with capitalism, unfortunately, unemployment does exist in our country and has for a number of years. I am referring to hidden unemployment, which is also quite substantial. It means the incomplete use of the labor of the 4 million people employed in the national economy.

It is true that unemployment is a terrible social phenomenon. It is not merely a question of depriving people of an income. It is a question of something more serious—the conversion of a person into something which society does not need. In turn, this has profound social, moral, psychological and other consequences.

However, we must also realize that objectively unemployment plays a certain positive stimulating role. The people try to work conscientiously, to observe the discipline, to upgrade their skills, and to produce more and better quality goods and to develop scientific and technical creativity. For should they fail to do so, the threat of their being replaced exists.

To say the least, the situation in our country gives grounds for serious considerations. Could our people feel morally satisfied and aspire to improve themselves, to develop creativity, and to have order and discipline and live in peace with their conscience when they receive wages which frequently have not been earned, when they show up for work in the public sector merely for time-serving purposes and obtain their main income from outside work or through private activities; when they know that something which has been assigned to two or three people could be done by a single person; when they understand that no more than 30 to 40 percent of their physical and intellectual potential is being used; and when they know that no matter what, no one can budge them from their position or take away their seat even in offices crowded with other employees. Even thousands of houses in our cities have had to change their purpose in order to be able to house our huge army of officials, an army which keeps growing like a snowball despite "reductions."

How can we be sure that the demoralizing consequences of such seemingly full employment in our society are lesser than the demoralizing consequences of unemployment in the capitalist countries? The difference is that unemployment compensation paid in capitalist countries is the same as what we pay in our country to a large number of people as wages. However, these are not real wages, for they have not been earned and have not yielded any results. They ensure ordinary vegetating but not social and economic progress.

To this we must add the adverse consequences of an economic nature, one of which is creating additional inflationary stress.

Therefore, today the question is not whether there is or there is not unemployment in our socialist economy, whether we acknowledge it or not, i.e., of calling things by their proper names. After an accurate diagnosis has been made, we should seek means of treating the disease. A stubborn refusal to see reality deprives us of this opportunity.

It is hardly possible to provide a categorical positive or negative answer to the question of whether or not there should be unemployment in our country. Nor should we be hasty with such an answer! We need extensive and, I repeat, unprejudiced economic, sociological, psychological and other studies. Let us discuss, let us exchange views, ideas and constructive solutions, taking into consideration the complex realities of our time.

Last year S. Shatalin, the noted Soviet scientist, wrote that socialism needs not simply full population employment but a socially and economically efficient, a rational full employment. The same idea is found in the resolutions of the June CPSU Central Committee Plenum. It was no accident that it mentioned "developing the efficient employment of the population."

Perhaps the truth is closer to the fact, regardless of what we are repeating by inertia, that full employment was the greatest accomplishment of socialism. If such full employment in the traditional meaning of the term works against the vital current and long-term interests of socialism, perhaps we should give some thought to this "gain."

Furthermore, let us ask the people about the type of employment they wish: a continuation of the present type of "full employment" or a conversion to a different type—a socially and economically efficient employment.

### The Solution

But if we ask the people, we should tell them the entire truth. Very briefly, it is the following: We can follow one of two ways.

The first is that we shall continue to work as in the past, that our society will be just as generous in its philanthropic activities as it was in the past. This could be possible within certain limits and for a certain period of time. However, this has its own iron logic. If we accept to work as we have in the past, we must also agree that we shall continue to live as in the past with comprehensive scarcity of goods, smiles and civic conscience but poor quality goods and services, with the ever present lines, with rudeness in relations among people, with interceding, connections and privileges, and with the worsening of moral and other deformations in society.

This too means guaranteed work and guaranteed equalized payments to those who are industrious and those who are lazy, to the talented and the mediocre, which means ensuring for both conditions for most basic vegetating. This encourages the industrious person to become lazy and the talented person to slow down and to work like the incompetent one. Under such circumstances it makes no sense for a person to be talented and hardworking. Wage equalization inevitably leads to the equalization of everyone to the level of mediocrity. Yet mediocrity has never been the mother of progress. It has always hindered progress and has feared it, for progress is the opposite of mediocrity.

In turn, this means the further weakening of socialist society and a lowering of its attractiveness. To be perfectly frank, it is a question of a weakening which questions the economic and political survival of socialism as a system, no more and no less!

The second path is to work in a new fashion, more intensively and productively, with much greater exigency, with greater order and discipline, with much higher professional responsibility and civic involvement, with a stronger social and economic lack of guarantees, and with less philanthropy. We must strengthen the faith of the people in their socialist state. There is no more effective weapon against the enemies of socialism than a nation convinced that the state cares for its interests and plays with it with open cards.

This will bring about a gradual elimination of shortages and a balance on the market; a gradual improvement in the quality and variety of goods and services; a gradual increase in real income; a much greater differentiation based on the principle that he who produces more will earn more; intolerance of the lazy, the mediocre and the loafers; the creation of conditions for the successful development of people who are talented, hardworking and conscientious; the gradual elimination of the economic foundations for lines, intercessions, connections, privileges, rudeness and stress and relations among people; and the gradual elimination of the economic foundations of alienation and apathy and of dangerous moral and other deformations.

This means that, in the final account, socialism will become stronger and more attractive. This is the equivalent of a socialist renaissance. However, we shall not succeed in doing this easily and quickly. In order to change the situation on the market or in society it is we who must change. We must begin to work better at our jobs. And before grumbling that no changes have taken place or the changes are too slow, that others are not working conscientiously, let us look at ourselves, alone with our conscience, and determine whether we are changing for the better, and are we doing our jobs the way we should? We have no right to expect any changes and restructuring of others unless we do the same!

Everyone has become fed up with preaching, instructions and falsehoods. We need greatly unity between thoughts, words and actions! Above all, we must relearn how to work. We must restore the old Bulgarian industriousness, we must restore the fabulous love of the Bulgarian for the land!

Actually, the alternatives we have are not two, for the first is fatal to socialism. It is only the second that remains. No other choice exists, at least as I see it!

There is no one on whom we can rely other than ourselves, our conscientious labor, more practical work and less verbosity. We need true change and not discussions concerning restructuring!

## POLAND

### Directive on Income Tax Credits Published

26000765 Warsaw *DZIENNIK USTAW* in Polish  
27 Feb 87 pp 57-59

[Directive from the Minister of Finance, dated 3 February 1987, on specific rules and regulations in applying income tax credits]

[Text] Based on article 53, paragraph 2 of the 26 February 1982 Law on Taxing Units of the Socialized Economy (*DZIENNIK USTAW*, 1986, No 8, item 45; No 39, item 192; and No 47, item 226) and articles 6 and 11, paragraph 2 and article 22 of the 27 December 1983 Decree of the Council of Ministers on Income Tax Credits (*DZIENNIK USTAW*, 1986, No 13, item 78; and No 44, items 214 and 215) the following is directed:

#### Article 1.

This directive designates specific rules and procedures for applying income tax credits by economic units based on the 27 December 1983 Decree of the Council of Ministers Concerning Income Tax Credits (*DZIENNIK USTAW*, 1986, No 13, item 78; and No 44, items 214 and 215) henceforth called the "decree;" this directive also designates the annual costs for maintaining a student in plant-operated schools and in boarding-schools.

#### Article 2.

1. The credits described in article 2 of the decree are intended for use by economic units realizing investments based on the purchase of finished capital goods and on investment constructions executed via the commission or economic system.

2. The investments mentioned in article 2, paragraph 1, point 6 of the decree, which are made to improve occupational health and safety, are investments that accomplish the following in workplaces:

1) eliminate accidents and perils caused by explosions, fires, construction hazards, and electric current hazards as well as perils associated with transport operations and, in mining facilities, eliminate or limit perils due to water and cave-ins;

2) limit the hazards of harmful agents in the work environment to the values designated in the 22 December 1982 Decree of the Minister of Labor, Wages and Social Affairs Concerning Maximum Allowable Concentrations and Intensities of Factors that are Harmful to Health in the Work Environment (*DZIENNIK USTAW*, No 43, item 287; and 1985, No 45, item 195);

3) limit vibration hazards to the levels designated in the mandatory standard;

4) limit hazards associated with a hot microclimate caused by air temperatures exceeding 30 deg C and air humidities exceeding 65 percent, or by direct radiation from an open source of heat in workplaces (blast furnaces, foundries and the like);

5) eliminate heavy physical labor for women, in which energy expended in effective labor during a work shift exceeds 1,300 kcal by, among other things, mechanizing operations associated with moving heavy loads as well as with other transport work;

6) provide dressing rooms and baths for workers exposed to agents harmful to health that are described in points 2 and 4, as well as for workers exposed to infectious diseases and infestations;

7) provide facilities for the preparation and consumption of meals, laundering, decontamination, and cleaning and drying of work and protective clothing, as well as facilities to warm workers who work outdoors.

3. The construction period of the investment realization time mentioned in article 2, paragraph 2 of the decree is defined as the time period from the day the investor transfers the building site to the investment executor to the day the protocol is executed transferring the investment into operation.

4. The investment start date:

1) based on receiving finished capital goods is the date the invoice is issued by the seller (supplier) of the capital goods;

2) for a building or modernization project, is the date of the protocol in which the investor (general implementer) transfers the building site to the general contractor (executor).

5. Costs of an investment realized by the economic system are the prime costs, excluding costs related to correcting service and construction work defects, including those allowed under guarantees, increased by a profit margin that does not exceed 10 percent of the processing costs as defined by the regulations on fixing regulated prices.

6. The total income tax credits mentioned in article 4 of the decree apply to the income tax due for the entire tax year, regardless of the date the investment (noninvestment undertaking) was initiated or completed.

7. The amounts of the credits mentioned in article 2, paragraph 6 of the decree are determined by the percentage rates designated in article 2, paragraph 3 of the decree and are proportional to the shares in the planned costs of realizing a joint investment.

8. Economic units authorized to use the credits designated in article 2, paragraph 6 of the decree must provide the following additional information via the notice mentioned in article 5, paragraph 1 of the decree:

1) name and address of the joint investment implementer;

2) the name and bank account number under which the funds to finance the joint investment are held;

3) projected payment amounts for the joint investment, including payments for a given tax year. A copy of the contract implementing the joint investment should also be attached.

9. Economic units deduct the credits designated in articles 2 and 3 of the decree from the income tax due for the period the investment or non-investment project is being realized, taking into consideration the requirement

of article 4 of the decree, beginning with the month in which expenditures are incurred or capital is contributed to finance the joint investment.

10. Economic units inform the proper taxing organ in a timely manner about the progress of implementing an investment, but no later than the filing date of the declaration in which the credit deductions are enumerated.

11. The Revenue Board must certify that the expected results of the allowed credits, which were mentioned in article 5, paragraph 6 of the decree, have been achieved; if the tax credits exceed 50 million zlotys, the Treasury Department must certify the results.

#### Article 3.

1. The amounts of the credits designated in article 6 of the decree are calculated by multiplying the total annual cost for maintaining a student by the average number of students during the tax year, subject to paragraph 4.

2. The total annual cost for maintaining one student in plant-operated schools is:

1) for the following industries:

- a) mining and electric power . . . . . 80,000 zlotys
- b) metallurgy and machine . . . . . 36,000 zlotys
- c) chemical and light manufacturing . 30,000 zlotys  
and for schools that were controlled  
by the former ministry of forestry  
and wood industry . . . . . 70,000 zlotys
- d) construction, land use management  
and municipal services . . . . . 40,000 zlotys
- e) agriculture, forestry and food:  
—in the agriculture and food area . 50,000 zlotys  
—in the forestry area . . . . . 70,000 zlotys
- f) transportation . . . . . 60,000 zlotys
- g) communications . . . . . 24,000 zlotys
- h) maritime economy . . . . . 68,000 zlotys

2) for central cooperative unions . . . . . 68,000 zlotys

3. The total annual cost for maintaining one student in a boarding school for students in plant-operated schools is 45,000 zlotys.

4. The income tax credit may also be used by an economic unit financing the training of students in plant-operated schools conducted by another economic unit, including an association of enterprises or union of cooperatives. Credits for the units financing the training are based on the total cost mandated by the school or boarding school multiplied by the number of students whose maintenance costs are financed by the unit.

#### Article 4.

1. If it is verified by a control organ that a returned product marked with the state symbol of quality does not meet the product quality requirements established when permission was granted authorizing the marking of this product with the symbol of quality, then no income tax credits are allowed for those products sold during the month in which the deviation was verified.

2. If the right to mark a product with the state symbol of quality is revoked, the tax credit is disallowed with regard to products sold following the day the decision is made to revoke this right.

3. The credits designated in article 7 of the decree do not apply to sales of products for export.

#### Article 5.

1. The professional services mentioned in article 9, paragraph 1 of the decree are defined as services rendered for payment by service establishments serving the public that are listed under the "Abridged Classification of Services" established by GUS for:

- industrial services
- construction services
- cleaning services (laundering, dry cleaning, dyeing and calendering)
- bottled gas
- health care services provided by medical cooperatives
- retail trade services
- personal care services (beauty parlors, barber shops, phot shops, executing work orders, property maintenance and management).

2. The services mentioned in paragraph 1 exclude services of a production and cooperative nature or services performed exclusively for units of the socialized economy.

#### Article 6.

1. The income tax credit discussed in article 11 of the decree equals 75 percent of the income tax due on the profits obtained from the sale of supplementary by-product production.

2. Supplementary by-product production is defined as production exclusively from the remnants of an economic unit's basic production or from their own or acquired scrap materials, as well as additional production that is not associated with the economic unit's basic production assortment profile but results from the utilization of reserve production capacities.

#### Article 7.

1. To establish the value of the increase in exports discussed in article 8, paragraph 6 of the decree, in comparative terms, the value of the exports in transaction costs in the tax and preceding years is adjusted to take into account the basic exchange rate that is obligatory for the first day of the tax year.

2. The WF Index is calculated with regard to the amount of exports realized for the time period during which income tax is calculated, that is, in advance for each month or annually, in accordance with article 18 of the 31 July 1980 Decree of the Minister of Finances Regarding Specific Rules for Calculating Taxes, Payment Dates and Procedures, and Procedures for Filing Tax Declarations With the Taxing Organ by the Unit of the Socialized Economy (DZIENNIK USTAW, No 24, item 171 and No 36, item 240 and from 19844, No 20, item 94).

Article 8.

The income tax credit based on the increased value of sales relative to a previous year calculated in terms of the comparative sales prices of the equipment, apparatus and personal protection devices needed for work safety which was discussed in article 13 of the decree applies to an economic unit producing the equipment, apparatus and personal protection devices.

Article 9.

1. Economic units subtract the tax credits calculated on the basis of article 7, paragraph 1 and article 9 of the decree from the basic income tax on a monthly or yearly basis.

2. Economic units take into consideration articles 4 and 20 of the decree when deducting credits based on the regulations of:

1) articles 2, 6 and 7, paragraph 3; article 8, paragraphs 3 and 11; and articles 10-13, 15a, 16 and 17 of the decree—for monthly and yearly periods;

2) article 8, paragraph 6 of the decree—for quarterly and yearly periods;

3) articles 3, 18 and 19 of the decree—for yearly periods.

Article 10.

1. the credits mentioned in articles 8 and 19 of the decree apply to cooperatives of the blind as well as cooperatives of the disabled that are recognized as top priority enterprises.

2. The employment index for invalids and individuals treated equally as invalids that was discussed in article 16 of the decree is calculated on an accrual basis as an average of the number of employed people at the end of each month.

3. The extra credit mentioned in article 16, paragraph 3 of the decree applies to each one percentage increase over 70 percent in the index of total employment in industrial and service cooperatives, and over 60 percent in commercial cooperatives, including those cases in which these indexes are set at a higher level in a cooperative's statute.

Article 11.

1. The profit obtained from the newly initiated production mentioned in article 15, paragraph 1, point 1 of the decree is defined as the difference between income from achieved sales, excluding internal sales that are not equalized in accordance with the separate regulations concerning sales outside an enterprise, and the prime costs of the sales of the products produced as a result of the introduction of this production, increased by the sales taxes and decreased by the product subsidies. During the income tax exemption period, the turnovers concerning sales, sales taxes and the prime costs to sell these products are entered separately in the accounting ledger.

2. The start date for implementing newly initiated production is the date the economic unit decides to apply the results of research and development work, including also Polish inventions (the unit's own as well as those obtained in the form of licenses) that are associated with

initiating the production of new products or modernizing products now being produced, or introducing new methods of production. If the implementation requires an investment, the start date for implementation is the date this investment becomes operational. The economic unit remits a copy of the decision or protocol making the investment operational to the authorized Revenue Board.

Article 12.

The 12 June 1984 Decree of the Minister of Finances On specific Rules and Procedures for Applying Income Tax Credits (MONITOR POLSKI, No 16, item 115) is invalid.

Article 13.

The decree is effective on the announcement date and is applicable starting with the 1987 tax year.

Minister of Finances,

B. Samojlik

11899

### Opinions Voiced on Weaknesses of Joint Venture Law

#### Unfavorable Comparison to Bloc Legislation

26000772 Warsaw *POLITYKA (POLITYKA EKSPORT IMPORT supplement No 15, Aug 87) in Polish*  
1 Aug 87 p 15

[Article by Stanislaw Podemski: "All or Nothing"]

[Text] A year after the promulgation of the law on partnership with foreign participation, P. Tarnowski (POLITYKA-EKSPORT-IMPORT No 11 1987) asks: "Does not the excessive narrowness, imprecision, and incongruence with the expectations of foreign partners of the present law condemn the whole matter to failure on a broader scale?"

But he gives a very careful title to his article: "A Little Too Early for Joy or Tears." One can and should, however, worry about the fact that the Polish employers have not studied the historical evolution of legislation in other socialist countries and have not resigned in advance from these repulsive foreign partners, regulations which in light of experience have disappeared from the legislation of Yugoslavia or Hungary. Yugoslavia has 20 years of experience (and 200 foreign investments), Hungary has 15 years of experience (and 50 joint ventures with foreign partners) in the application of a law on joint ventures.

### What the Others Have Forgotten

Interestingly, both countries have long since abandoned a majority of domestic capital in the partnership. The capital of the Central European International Bank, which has an outstanding reputation in banking circles, is 33 percent Hungarian and the rest foreign.

The law in the PRC and the DPRK also does not require majority domestic capital. Only Polish and Romanian legislation still hold to this way, allowing exceptions only in extreme cases.

Prof J. Rajski of Warsaw University in recounting the development of foreign legislation in this area writes: "The evolution of the law constitutes an expression of the changes in the state's general policy toward foreign investment: restrictive approaches yielded to facilitation and support of its development. It was understood that creating opportunities for investment does not suffice for attracting foreign capital and technology. It is also essential to arouse the necessary economic stimuli and the appropriate legal gears" (PANSTWO i PRAWO [PiP] March 1986).

Polish law authorizes a partnership for a definite period, other socialist legislation (except for Vietnam) does not. Prof Rajski: "The legislation of the countries under discussion meets the justified expectations of the foreign investors who react negatively to the tendency in some countries, including in Poland, to limit the duration of a joint venture. This type of restriction contradicts the world's common business principles (not forcing a partner to abandon a joint undertaking which is mutually beneficial)" (PiP March 1986).

Polish law requires the partnership to sell the Polish convertible-currency bank from 15 to 25 percent of the receipts in foreign currencies. This is a regulation not encountered from the GDR to the DPRK. These are only three sets of measures, although not the only ones obviously, worse than those adopted and tested in other socialist countries.

### Only by Authorization

The regulations on the variety of Polish authorizations, which are closely observed from the outside, because they lengthen the process of creating a partnership and not just for this process also serve to frighten away investors. If the agreement of two ministries (foreign trade and finance) is required to form a partnership, then the introduction of a clause that it "is given in consultation with other appropriate bodies on the authority of separate regulations" introduces an additional element of uncertainty, suspicion, and speculation. Especially since one hunts in vain for the definition of these other bodies in the law. The foreign partner dies and his son wants to take over after him—he must have an authorization; the foreign partner wants to take on a partner—he needs an authorization; stock or a partnership is to be

sold—he needs an authorization, obviously always from two ministries (finance and foreign trade). Even borrowing in a foreign bank by the partnership requires an authorization, this time only from the Polish bank. In issuing an authorization, the administrative authorities always have time; in contrast, business people are always in a hurry. The authorization also may or may not be issued. Let us hope that this practice does not become entangled in bureaucratic time wasting.

### Taxes, Taxes, Taxes

The income tax is 50 percent of the income of the partnership.

Dr B. Brzezinski and Prof Dr J. Gluchowski of the university in Torun write that it is high "especially in comparison with the level of taxation in other socialist countries" (PiP May 1987).

In the USSR it is 30 percent for example; in China, only 15 percent. Reliefs from this tax (paid only after the first two years of complete exemption) are contemplated, but only when the enterprise exports. But if the partnership wants to enter the domestic market and produce goods sought after in Poland like medicines or chemicals for crop protection? Then it will have no tax reduction.

Prof Rajski writes: "This type of assumption surely contributes to the reduction in interest in investing in Poland, because for many potential investors full access to the domestic market is important. It can also lead to the development of forced exports, counter to the principles of proper, efficient economics. Contrary to the intentions of the legislators, the negative effects of such actions could in the final analysis be a burden on the national economy" (PiP November 1986).

Worse, the tax authorities can include "unjustified costs and losses" in the calculation of the taxes. These are to be defined by regulations published by the Ministry of Finance. This standard, a given in the Polish economy where waste, excessive administrative staff, resignation from accounts receivable, is another red flag for a foreign partner, who neither knows nor understands all these plagues. Thus, serious legal literature writes of the "deterrent character of this regulation."

The partnerships will also not avoid other payments, too. They will have to contribute to the Foreign Debt Service Fund and to the Central Fund for the Development of Science and Technology.

Partnerships are treated like every other enterprise, cooperative, or social organization conducting economic operations.

"Partnerships," the law says, "participate in the economy on principles and in the manner prescribed for socialized economic units." Certainly, the minister of foreign trade can allow for exceptions (in consultation

with "the appropriate ministers"), but the rule remains the rule. Prof Rajska, mentioned so many times here, describes the mood of foreign investors: "Among them the general fear of undertaking economic activities reigns especially where it would be subject to a special legal regime (unknown to them) created for the specific needs of a socialized economy" (PiP November 1986).

Who will settle the partnership's disputes is also important. According to Poland's law, Polish general courts will; according to other socialist states' laws (Yugoslavia, Romania), conflicts among foreign capital and the host state are submitted to a specialized procedure outlined by the international convention developed by the World Bank in 1965.

The law further menaces: "The National Bank of Poland can give a foreign subject a guarantee of the return of the value contributed as a deposit prior to the registration of the partnership in cases of losses absorbed due to decisions by state bodies concerning the partnership's property." What does this mean? First, it anticipates losses by the partnership caused by the authorities' decisions; second, it establishes the upper limit for damages as the amount contributed "prior to the partnership's registration." And investments contributed after this time? Who will pay for them?

Again the Hungarian, Bulgarian, and Yugoslavian laws regulate the dissolution of a partnership with foreign capital in a friendly manner. Yugoslavian legislation, knowing the fears and special sensitivity of foreign investors, even says:

"If, after the signing of the contract, there are changes in the legal regulations or the instruments of current economic policy affecting investment, the provisions of the contract and the regulations binding on the date it became binding where they are more favorable to the foreigner will be applied to the rights of the foreigner as concerns his invested funds if the sides do not mutually agree to regulate certain questions differently, in accord with the changed provisions of the legal regulations."

In the AMERICAN JOURNAL OF COMPARATIVE LAW (No 4, 1984) one reads that freedom in deciding the fate of partnerships "exerts a negative influence on the willingness of foreign corporations to invest in Eastern Europe."

Poland promulgated its law during a difficult period under special attention from abroad. The world of international interests knows the dimensions of our crisis phenomena well and what is worse remembers the constant turns made in the law on the operation of Polonia firms. The correspondent of TRYBUNA LUDU, who accompanied the Polish delegation to Japan, writes that the hosts asked 39 questions about the law on partnerships. This speaks well of the reader's attentiveness, poorly about the operation of the law.

The law on partnerships wants to achieve everything: taxes and convertible currency, exports, and control of each step by the foreign partner, dominance of domestic capital and interests. It looks as if in this debate: everything or nothing, Poland will end up with the latter.

#### Greatest Risk Seen in Supply Situation

26000772 Warsaw *POLITYKA (POLITYKA EKSPORT IMPORT supplement No 15, Aug 87) in Polish 1 Aug 87 p 15*

[Article by Wieslaw Sadzikowski: "What Frightens Away Foreign Investors"]

[Text] The Sejm adopted the mentioned law in the hope that foreign investors would help Polish exports by strengthening our enterprises with modern technology and facilitating the sale of products produced in Poland on international markets.

Thinking correctly that the foreign investor will invest in Poland not out of altruism but for decent earnings, the law gave him various privileges, including exporting a portion of the profits in convertible currency.

What obstacles are more powerful than these inducements? Generally one lists our bureaucracy and the slightly higher rate of taxation on profits than in the West. I believe, however, that our supply market is the most negative factor.

The law explicitly states that the enterprise formed by combining Polish and foreign capital will operate according to Polish law. It will be subject to all the rules that bind our enterprises in relation to their surroundings. An enterprise with mixed capital will not then benefit from special privileges on the supply market. Thus it will suffer as the local enterprises do from shortages, irregular shipments of raw materials and materials. It will also suffer at the hands of the bureaucracy in selling its own goods on the domestic Polish market.

For the capitalist entrepreneur, the portion of the profits which he must give to the state treasury surely is important. But first he will interest himself in the size of the profit from the undertaking in which he is investing his capital. Unfortunately, in Poland it depends not only on the management of the enterprise and the work of the employees but also on the degree of instability on the supply market.

The Polish entrepreneur has, over the last 40 years, become so accustomed to this situation that it seems almost normal to him. It is hard to imagine a capitalist investor, however, who could judge it normal and willingly accept it. This would be a peculiar economic masochism.

This statement can be undermined by citing the letter of the law. It anticipates the ability to import raw materials, materials, etc., for convertible currency contributed by the foreign partner to the working capital of the common enterprise. One can even imagine the extreme case in which the foreign investor contributes (in addition to machinery and equipment) so much working capital in convertible currency that it suffices to purchase all of the essential supplies. This would mean that the partner has decided to earn in Poland only by purchasing cheap labor, energy, and perhaps some material trifles. This decision would be justified only if the total production were sold for convertible currency and the share of labor in the value produced were very high. However, the legislation requires the exchange of a significant portion of the hard currency receipts of the enterprise to our soft currency. In all cases when the proportion of material costs to labor is high, the entrepreneur can find that after making the obligatory exchange of convertible currency the balance in convertible currency will not suffice for foreign purchases of materials not to mention for exporting a profit.

Other than the case of a high proportion of labor to production costs, the foreign partner would be interested in investing in undertakings in which he would have the opportunity to purchase not only labor for zloty but also all or the majority (in terms of value) of the raw materials and materials for zloty. One can mention many such offers in Poland. No one, however, will guarantee regular shipments of materials or their quality.

Thus, it will be easiest to convince a partner to invest in services, for example, hotels. In this area the chief current cost is labor. But even here the common difficulty of delays in the plans, deadlines for completing construction, for example of a hotel, occur. Even if this obstacle were not present, one would have to remember that foreign investments made in services contribute little technical advancement to our economy.

The above mentioned difficulties, contrary to what some people believe, are not secrets to potential capitalist investors. No true investor will limit himself to a study of the law on joint ventures but will also thoroughly study the country's economic situation, in which he is to invest. The legislators cleverly required at several points that the ministers of foreign trade and finance regulate aspects of the operation of the common enterprise with their regulations, for example, raising reliefs or limiting them. Leaving too many issues to the decision of ministers at the very least does not increase the trust of a foreign investor. Chiefly because he treats the law as a long-term action and regulations of ministers as actions that can be annulled or changed without recourse to the Sejm.

One thing no minister can change or annul are laws that are still in force although they partially or totally conflict with laws on state enterprises and partnerships with foreign capital.

The common view that the deciding factor in reducing the interest of capitalist investors in Poland is the limitation (other than exceptions, not more precisely defined in the law) of the share of foreign capital to 49 percent of the common capital of the enterprise. Once the criterion for investment was holding 100 percent of the capital. Later this changed, it became fashionable to create foreign joint ventures, but on the condition that one's own capital would be more than 50 percent. Today it is increasingly common to invest abroad even when one's own capital contribution is only 25 percent. One condition must be unconditionally met: the foreign investor must have his own representatives in senior management in such a firm, even if there are only two of them. This issue raises difficulties that derive not from the law on joint ventures but from other regulations.

For the foreign investor to find a candidate for a high position in another country (in this case Poland) for a salary of only \$3,000 a month will be very difficult. Imagine that the investor has found someone. What will happen with his delegate for deputy director in a common enterprise in Poland? This individual as an employee of an enterprise subject to Polish law will receive a monthly income of 720,000 zloty (3,000 x 240) or 8.64 million zloty annually. As an employee under Polish law he must pay the state treasury an equalization tax leaving him at most 3 million zloty. After conversion, this is a net income of \$1,050 monthly, the net salary of a low level bureaucrat in the United States. The law anticipates the right of foreign delegates of investors to export their savings from their wages in convertible currency. Only which one, before taxes or after equalization taxes?

The above example is given to make us aware that until we modify numerous binding laws, decrees, and regulations inconsistent with the law on joint ventures in light of the central idea of that law, we will encounter many reservations and doubts on the part of potential capitalist investors.

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## YUGOSLAVIA

**Reshuffling of Banking System Suggested**  
*28000247a Belgrade NEDELJNE INFORMATIVNE*  
*NOVINE in Serbo-Croatian 28 Jun 87 pp 22-24*

[Article by Branko Colanovic: "Custodians of Non-Existent Money"; first paragraph is introduction]

[Text] In the discussions concerning constitutional changes in the area of economics, one question springs to mind: Do we want to continue to have, instead of banks, indifferent commissions ironically called "business" banks? Since today's banks have stood production in the so-called agreed economy on its head, we should adopt laws of the market in order to return banks to their true function.

Since we already have the good fortune of living in an age of endlessly perfecting the political and economic system, let us then use this opportunity to briefly reflect on monetary institutes and policy. During our perpetual constitutional reforms, this subject is always emphasized as being especially important, which it in fact is.

Let us turn our attention to the business bank and to the "system" of national banks.

The present constitution stipulates that organizations of associated labor, self-management communities of interest and other social legal entities may found a bank by self-management agreement, as a special organization performing credit and other banking activities. In it, together with other entities, are pooled and safeguarded the resources necessary for the realization of its common interests, as well as for the performance, expansion and promotion of the activities of other organizations and communities, or for the pursuance of other common interests.

In this typical constitutional wording, the first principle that provides an answer to the question concerning who can establish a business bank must remain indisputable. The founders of a business bank must be social legal entities. Ideas about citizens as the founders of a bank that have been heard recently within the context of legitimate endeavors to give the small economy more elbow room in our country cannot be included in the overall concept of founders of Yugoslav banking. Numerous leftist parties include as a principle the nationalization of banks in their platforms, even when it is impossible to conceive of socialism taking over the entirety of the country's socio-economic structures.

### Bank or Commission

The second part of the constitutional stipulation quoted above, however, expresses a principle that cannot correspond to the nature of the market economy, even though it was supplemented by the "focused and corrective" conditions of the plan, set out in the Long-Term Program of Economic Stabilization. This principle outlines an entirely passive function for the banks. The bank is not designated as an autonomous economic (financial) organization through which the activities of its founders and its various depositors, whoever they may be, make a specific contribution to the resources that they have invested. The bank is a "service of associated labor," in fact a commission institution.

This is crystal clear from the constitutional provision that states: The income realized by the bank, after operational costs have been covered and allocations made for the work community of the bank, shall be distributed among the social legal entity whose resources the bank manages. As in every commission relationship, the bank carries out the orders of its committee and

charges a fee for services. Similar to the so-called commission broker on the American stock exchange or the stockbroker on the English one. Caricatured, in essence, as commission work.

That is the bank of the agreed economy. The essence of its operation cannot correspond to the minimum extent of the market nature of the economy, the decentralized market economy, based on economic criteria, market approval and the inflexible, economically motivated struggle for as much income as possible, in the factory just as in the bank.

The consequences of this status of the business bank are serious. First of all, it is an inherent priority for banks that they achieve circulation, but it is not essential that they register profits above that which will cover the costs of doing business and resources for the work community. Any surplus is unfailingly distributed among the founders.

An idyllic portrait of this type of bank as if it had in mind only a sort of small banking unit, well-integrated locally in the business dealings of its founders and directors, and together with them closely linked to everyday problems. In fact, the framers of the constitution consistently drew this idea about banks from the very essence of their thoughts on the communal system, on the commune as the "basic socio-political community... in which working people and citizens shall create and ensure the conditions for their life and work, direct social development and adjust their interests..." This had to lead from the outset to the fragmentation and territorialization of banking.

However, this basic structure is affected by two forces with exceptional strength: republic-provincial statism and the economic policy of the federation. Yugoslav banking today is spinning in a vicious circle of very severe contrasts.

Republican-provincial statism, stubbornly leading the struggle against "the alienated centers of power" in banking, foreign trade, transportation, etc., as long as they are not headquartered in one's own territory, has ruthlessly stipulated that all basic banks in a republic or province must be in one republican or provincial associated bank, serving the republican or provincial political authorities. Some exceptions result primarily from the perception by large organizations of associated labor that their interests cannot be satisfied exclusively in the republican or provincial financial context. Banks are a very important cornerstone of republican or provincial statehood, the tools for their developmental voluntarism. Indeed, the full formula is one's own bank, one's own national bank, one's own social accounting function—a pure relapse into the central-planning system, but within republican or provincial borders.

### Alienated Powerlessness

Federal legislation and economic policy in the realm of finance, monetary credits and foreign exchange have turned banking into some sort of puppet show. All actions by banks have to proceed according to rigidly established strictures: investment operations, avail from bills of exchange, disposal, term structure of resources, international transactions, interest policy, consumer credits, citizen accounts in foreign exchange, etc. ad infinitum. However, there are two complications here. One is when the federal authorities, ignoring their own regulations, compel the banks to take specific steps—for example, to take on short-term foreign funds because of the insufficient liquidity of the country, where the banks do not want these funds. Secondly, when republican-provincial authorities, and often courts as well, offer protection and even support to “their own” banks in various matters in violation of federal regulations and measures.

The Yugoslav business bank is indeed an interesting creature. It cannot independently, through its own decisions, create its own development (investment) funds because so-called anonymous capital is politically prohibited, it cannot on its own assume credits abroad, it cannot independently choose its managerial structure. The associated bank, as a large unit, cannot do this either, but it also cannot deal directly with the economy, nor with the population; it cannot create branch offices in the country, it cannot be the founder of foreign banks...

As if banks have made themselves into what they are, there are several political critics who are unfavorably assessing their work and performance. However, it would be fair to acknowledge, like Sasa Gitri, that their own ignorance is due to the little amount that they know about all of this.

The extent to which the function and status of business banks are not adapted to the market character of the economy was seen most of all during the massive assumption of foreign credits in the 1978-1981 period. This story developed as follows: The republics and provinces held a conference in the federal center and received a yearly quota for the use of foreign credits; the republics and provinces determined which organizations of associated labor would be the final beneficiaries; in general, all republics and provinces continued to conclude transactions through “their own” associated banks; with foreign partners, the banks concluded agreements for account of certain final beneficiaries; the guaranteed obligation towards foreign countries for repayment of credits was with the business banks; associated banks focused on the international financial market, certain that their republic or province would stand in for the payment of the credits from the final beneficiaries, as well as the Yugoslav exchange market, which for all this time was functioning irreproachably; associated banks, being commissioned banks, did not as a rule

check into the appropriateness of the investments being financed with foreign funds. The result was the following: In 4 years, the Yugoslav foreign debt jumped from \$9.5 to \$21.1 billion; many investments were failures; Yugoslav banks lost their credit standing and practically disappeared from the international financial markets (to say nothing of the general macroeconomic consequences). The ultimate paradox: The banks were encumbered with the astronomical balance from the rate of exchange from the foreign credits, even though the credits were assumed for the sake of others.

In light of this mistake and of other no less dramatic mistakes, how can we accept the recently expressed opinion of Professor A. Bajta to the effect that bankers, if they are bankers, cannot be “exonerated,” that they must be regarded like the defendants at the Nuremberg trials, that they should have to resign whenever economic policy resorts to measures that are not in keeping with the principles of sound banking?

It is impossible to consider bankers being able to save the country from insolvency. The most that one can condemn them of is that they did not, like the ganders in ancient Rome when faced with adversaries, vigorously begin to raise a collective chorus of cries; because of their commission nature, however, they were not allowed to do so, and it is not clear that even this would have roused the leading figures of the republican-provincial agreed economy from their deep sleep.

### Multiplication of National Banks

A second element of the Yugoslav banking system is the national banks, also consistently transformed into a product of the same agreed economy. According to the 1974 constitution, Yugoslavia does not have a central bank, meaning a currency issue institution, as everyone else does and as we did up until that point. Instead, the basic constitutional stipulation states that “the National Bank of Yugoslavia, the national banks of the republics and national banks of the autonomous provinces are institutions of a uniform monetary system responsible for the execution of common currency issue policy as established by the Assembly of the SFRY.” In other words, the Assembly only guarantees the currency issue function, leaving it up to the national banks to make their own decisions.

“Common currency issue policy” has in practical terms evolved into a specific issue plan produced by the Assembly, like all plans in general, “on the basis of agreements on the common interests and goals of the economic and social development” of the republics and provinces. This plan is currently understood as a static category, with predetermined quantities of principal monetary aggregates and of all separately selective apportionments from the primary issue. As it is usually the case that economic trends actually involve completely different quantities than what has been projected, which is, with differing levels of aberration, a normal

situation everywhere, federal monetary policy remains a function that is not related to living economic currents, a program that is understood as if it is a goal in and of itself.

Let us take as an example the trends in the first quarter of this year. The monetary projection forecast that total dinar placements by all banks would increase by 430 billion dinars compared to the end of last year, but they jumped by 632 billion dinars. The main items rose as follows (in billions of dinars):

	Projected	Actual
Credits for export	183	377
Credits for preparation of exports	133	367
Credits for agriculture	-12	115

These figures show not only the lamentable state into which the monetary function of economic policy has fallen, but also the exceptionally low level of planning for economic developments, even in a period as short as one quarter.

There can be only one conclusion. There is a lack of the desired correlation between trends in the officially registered money supply, which is under the control of monetary policy, and the materialized volume of financial transactions expressed as the country's nominal social product in retail prices.

For years, economic policy has proclaimed that in the struggle against high inflation it would employ a restrictive monetary strategy, and it has succeeded in this, but only economically. From 1979 on, the officially registered money supply has grown each year more sluggishly than the volume of financial transactions, such that there was approximately a 23-fold increase in financial transactions between 1979 and 1986, while the money supply rose only around 10 times over. Nevertheless, inflation has risen steadily.

This means that there are circumstances that result in the formation of money outside the control of monetary-credit policy and above and beyond the officially registered money supply. It appears that there is a large quantity of this money, and in the jargon it is known as so-called gray issuances, in fact various forms of financial undiscipline. Let us mention only a few: The issue and avail of bills of exchange without an exchange of goods and services, the non-liquidation of negative exchange rate balances, credits and interest unsettled in the contracted period, deferred payment for the import of goods, illegal issue by the national banks of the republics and provinces, non-deposit of dinars for various foreign exchange obligations, illegal issue by the Public Auditing Service, etc. These phenomena are the consequences of the decentralization of the financial and monetary-credit entities as a whole, of their excessive territorial commitments and protectiveness.

### Why Not: Bank-Enterprise!

What is needed is radical changes in the monetary-credit system. These changes would have to result in a normal business bank for the market economy and similarly in a normal central currency issuing bank, with the special characteristics of a planning and self-management component in the Yugoslav socialist model.

The business bank today has been turned on its head, and it is necessary to put it back on its feet. Instead of it being primarily a commission institution, it must be primarily an enterprise that deals with money and credit for its own account. If money is a commodity, then the bank should buy and sell it for a price, meaning for interest that corresponds to market conditions. With regard to the management of social resources, the bank should not be regarded with less trust, nor should there be less economic self-management in it; rather, it is necessary that there be trust in the organizations of associated labor in the economy. Consequently, with this very trust, it is necessary to transfer to the business bank payment transactions between social legal entities, which are, according to the 1974 constitution, being unjustifiably held up in the Public Auditing Service.

All countries, regardless of political system and socio-economic order, have a single central bank responsible for a single monetary policy. There cannot be disintegration in the pursuance of a monetary policy. The right of the republics and provinces to veto decisions in the monetary realm, wherever they are made, must be eliminated. The National Bank of Yugoslavia in the constitution must be defined as an currency issuing institution, accountable to the Assembly of the SFRY in the area of money and credits and, to a greater extent than is now the case, responsible for exchange liquidity and the stability of the dinar.

The organization of the monetary system must be worked out in greater detail on the basis of this rough principle, as well as how it should actually make its necessary contribution to the restoration of the unity of the Yugoslav economic territory and market, to the stabilization of the balance of payments, with a growth in the social product and a sound dinar.

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## CZECHOSLOVAKIA

**Attitudes to Juvenile Delinquency Reviewed**  
24000396 Prague RUDE PRAVO in Czech 17 Aug 87  
p 5

[Article by Jan Chudacek, Prostějov: "Order Is the Objective"]

[Text] Much has been said and written lately about the human factor and therefore about children's upbringing in general, but let's face it, not always from an objective

point of view. This often leads to unwitting pussyfooting which is detrimental to our common cause, including without any doubt also the criminality of our young generation, an escalation of brutality and rudeness, a lack of consideration, and an increasing rate of crimes committed by gangs.

Are we not overly tolerant of various miscreants, bullies, and juvenile delinquents, and do we not expect a pie in the sky and spectacular results from their lenient punishment? Unfortunately, this seems to be the case with many repeaters. We must deal in greater depth with current problems of good upbringing, prevention and, naturally, also with the terms of punishment. After all, no one wants to spend excessive funds in the future for the building of maximum security prisons and correctional institutions and to pay increasingly high compensation for damages or aid to the victims of crime.

How then should this situation be resolved? Over the years many changes have taken place in our society. Our citizens are asking more and more often whether we have not jumped the gun with our good intentions. Even prevention is frequently far less effective than we used to expect, because in fact we cannot agree on its substance. Let us take, for instance, shoplifting in our self-service stores. Many of us still remember that when the first self-service stores were opened in the 1950's, nobody would think of pampering all those little and big thieves. It was a good policy to photograph such delinquents and display their pictures with their full names on bulletin boards in citizens' councils. And that was that. There was no need to waste long hours in various commissions and committees, to write stacks of reports, and to reprimand the culprits, all for nothing. To make a long story short, our public opinion achieved its goal, but years have passed since and this tested and true method has been abolished.

Let us go back to the ideas of prevention. Some people say: "It is far more constructive to discuss confirmed transgressions in schools or in labor teams rather than to publicize them; in other words, give the culprits a chance. What if they become psychologically stigmatized?" On the other hand, some citizens hold the

opposite view. Naturally, they recognize the power of reprimands, but they also recognize public criticism, especially if it is to the point. How many empty words have already been said about it? And what are the facts? In many instances thus far they have been grotesque. Paradoxically, in most cases our public never learns even full names of the convicted hardened criminals. And that is not all. Practically the whole army of the 55,000 juvenile delinquents "born" in 1985—and they are not alone—remains somehow concealed. From whom in particular? From all honest citizens of our socialist country.

A third group among us unfortunately alleges that everything is pretty much in order and there is no need to make any changes. Due to the rosy hues of their spectacles, they like to say that the older folks in the past always tended to malign the young people; in short, they can always find fault with the youths who are sowing their wild oats; that the escalating juvenile delinquency in our country is quite normal, just look at the situation abroad.... They keep repeating the platitudes about the wholesome core of our youth. It would be terrible if it were not so. In their opinion, the main focus of moral upbringing should be shifted to labor teams which should tenaciously change the culprits' attitudes. This is the only—albeit not the whole—truth in their opinion. Such a proposal would result in more meetings and often futile attempts at persuasion. Only objective and completely public criticism may be fully successful.

The triune effect of upbringing in the school, family, and society must be dramatically intensified; in particular, as sociologists have confirmed, we must take seriously the changed situation in many of our families and consider the inadequate effect of family upbringing due to divorce. Upbringing in the school must be in unity with our society, where, as known, everything is not quite in order, either. However, the objectives set for this area are clear, although they are not always being consistently translated into reality.

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