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CZECHOSLOVAKIA POLITICAL

CONCERN FOR WATER PURITY VOICED

24000384a Bratislava ROLNICKE NOVINY in Slovak 9 Jul 87 p 3

[Article by Emil Topercer: "Ecological Projects at Center of Attention"]

[Text] In recent years we have devoted unusual attention to projects safeguarding the purity of water. Our party and government agencies have adopted several measures to see that the state program of ecological investments was carried out consistently so that by means of sewage treatment plants we can gradually reduce the amount of harmful discharges into streams. But in spite of the measures taken, it appears more and more evident that we still cannot be satisfied with the rate of construction of ecological projects.

At the end of last year 43 projects to safeguard water purity were under construction in Slovakia. Fourteen of these were to have been completed between 1985 and 1986, six were started this past year and we want to complete eight projects this year. We are building eight more sewage treatment plants on the basis of other investment programs and we plan to complete them by 1989. These include sewage treatment plants at the brewery in Hurbanov, the food processing combine in Trebisov and at the Calov plant of Milex Bratislava.

In checking on how deadlines for construction of ecological projects were being met we learned that planning is one thing but actuality is another. Of the 14 projects we wanted completed last year the target date was met in only 3 cases. For the remaining ones an alternate deadline was designated at lest once but it too was not met.

Extending the construction of many sewage treatment plants has somehow become standard practice. For example, construction of the sewage plant in Dolny Kubin was extended from 38 to 88 months, in Kezmarok from 40 to 100 months and in Turcianske Teplice from 33 to 97 months. The fault often lies with the building contractors. The fact that they sometimes cannot be compelled to bestir themselves even by financial penalties is shown by the example of the sewage treatment plant at Trstena-Tvrdoxin-Nizna na Orave, where construction was prolonged from 42 to 112 months. Although the investor applied penalties against the contractor in the amount of Kcs 956,278 he has not met his obligations even up to this day.

Unfortunately, the situation is no better at projects which we want to complete this year. For example, the date for completing the sewage treatment plant in Puchov has already been postponed six times, so that completion of the construction has been extended by 77 months. At the beginning we mentioned six sewage treatment plants which were started last year. Although this time we adhered to the target date for commencing construction, not in a single case has 10 percent of the cost been reinvested, which threatens the planned course of construction and their timely completion (for example, at the sewage treatment plant in Slovlik at Leopoldov only 67 percent of the plan was fulfilled last year).

In the remaining years of this 5-year plan the construction of 49 projects to safeguard the purity of water in the SSR is in preparation with investment costs of Kcs 4.508 billion. In this year yet, 12 sewage treatment plants are to be started, 10 next year, 12 the following years, and 15 in 1990. Of the 12 projects that are to be started this year, one was actually started and only six have the conditions required for meeting the time limit. Of the 10 projects planned for next year, only 5 can be expected to meet the deadline, of the 12 projects slated for 1989 only 7 will be started by the planned time and of the projects planned for 1990 even now 2 are threatened.

An inseparable part of the program to safeguard the purity of water is also the construction of small sewage treatment plants under action Z in this 5-year plan. This involves 91 projects of which one is in Bratislava, 18 in the West Slovak kraj, 21 in the Central Slovak kraj, and 15 in the East Slovak kraj. In addition to these, the MNV [local national committees] or the MsNV [municipal national committees] of another 36 projects under action Z. In these cases, too, the situation is not satisfactory.

Since delays in the preparation, construction, and completion of ecological projects can seriously threaten compliance with the "Plan for the Creation and Protection of the Life Environment for 1986 to 1990 With Prospects to the Year 2000," we must hasten to seek out and prevent the causes for this state of affairs. "What are the main causes?" we asked Eng Ivan Zavadsky of the operations branch of water management and protection of the natural environment of the MLVH [Ministry of Forestry and Water Management] of the SSR.

[Answer] The unpreparedness of a considerable part of the projects is primarily caused by slippage in formulating and approving the preparatory documentation, increases in budget costs and unclear concepts of some of the projects, but there are also problems connected with placement of the sewage treatment plants. There are also difficulties in the delivery and installation of measuring and regulating equipment, not to mention deficiencies in the investors' preparation, such as delayed conveyance of the building site, design certification and changing or elaborating designs in the course of construction. The unfavorable situation in completing municipal sewage treatment plants was caused, in particular, by the fact that the majority of them were included in the last 5-year plan in a so-called reduction program of capital construction. The fact that projects are not

completed within specified or even extended time limits is, however, also due to greater labor input and consequent lower labor productivity and the resulting lowered efficiency at the construction enterprise. Problems with a negative impact on the preparation of small sewage treatment plants are, on the other hand, caused primarily by the fact that in the guiding regional plan the location of the project is not taken into consideration and the construction tends toward sewage treatment plants of a type untested so far. But most of the problems relate to obtaining delivery of construction parts.

[Question] The problems about preparation and execution of projects to safeguard the purity of water has even intensified since the beginning of the 5-year plan. What should be done to improve the situation as soon as possible.

[Answer] First of all, consistently carry out the tasks adopted by the SSR Government resolution No 253 of 1986. We must not allow departments to make changes in the completion dates of construction jobs. We must also give more attention to their preparation so that we start construction in the years planned and therefore also can put them into operation at the specified times. On the part of the contractors it is necessary to improve the technology for building sewage treatment plants and effectively stimulate organizations to see that they are built. It is also essential to speed up the course of testing and debugging new kinds of equipment under operational conditions. Finally, we must see that building components for small sewage treatment plants built under action Z are available. So that this kind of situation does not recur in the future, it is necessary even now to set up the conditions for construction of ecological projects in the Ninth 5-Year Plan.

8491/6662

CZECHOSLOVAKIA POLITICAL

CRITICISM OF DANUBE DAM REJECTED

Prague RUDE PRAVO in Czech 30 Jul 87 p 3

[Article by Jaroslav Kojzar: "Gabcikovo-Nagymaros"]

[Text] The map of the southern part of the Velky Zitny Ostrov [Great Wheat Island] still shows very few of the incipient changes, although, as Eng Vladimir Lokvenc, the plenipotentiary of the CSSR and SSR governments for the construction of the Gabcikovo-Nagymaroswaterworks, said, "everything is proceeding according to the jointly approved plans." On the CSSR side the 16 km long and 4 km wide Hrusov dam is nearing its completion; a hydroelectric plant is under construction; the work on a 8 km long drainage channel is half-finished; one third of the dams near Palkovicovo have been reinforced....

Thus far there is no reason to change the schedule for the first boat to sail here on 1 March 1990. One of the largest investment projects in Europe has been advancing according to the plan. It will involve many changes. The consumers will get more electric power; there will be no need to fear time and again that the Danube might overflow and destroy whatever may be in its way; its waters will be tamed to serve man as he wishes. This may be the reason why so many attacks have been launched particularly by the same countries that thus far have built 29 waterworks on the Danube without any consideration of harming the environment.

What "arguments" do we hear? Let us mention some of them.

WOCHENPRESSE (Vienna): "If everything ends well, only the environment will be ruined. Should some accident happen, half of West Hungary will be devastated."

Reuter, quoting the so-called Hungarian ecological group "The Danube Circle:" "It is not only duty in accordance with the international law but also an ethical obligation to respect ecological interests of neighboring countries."

DIE WELT (FRG): "...This way the CSSR intends to deal with the problem of its Hungarian ethnic minority residing near the border. That minority will be resettled inland under the pretext that the Hungarian villages stand in the way of the construction of the hydroelectric plant."

WIENER (Vienna): "...not only the largest alluvial areas but also the largest reservoirs of drinking water in Europe will be destroyed.... Agriculture will lose Kcs 100 million annually because the level of groundwaters will drop."

What can one add to such statements? What are the facts? Let us begin with the groundwater and let experts have their say:

"Thus far the water level in the Danube area was at various depths, fluctuating markedly. In dry years, when the water in the Danube was low, the groundwater level dropped considerably; the moisture from the soil evaporated and was consumed by the vegetation, which caused drought and poor harvest.

On the other hand, during summers when the Danube's water level was high, drainage ditches on the Zitny Ostrov could not remove the increased seepage which then inundated large areas and flooded the lowlands... When the construction project is finished, the groundwater level in the adjacent areas will fluctuate far less than at present. Due to a strong influx from the weir, the water table in the upper Zitny Ostrov will rise 1 to 3 m; that will benefit in particular the forests around the Danube which have been drying out... We expect that the water table in the central part will drop, but this will be advantageous for that area which has been suffering from floods; drainage ditches had to be dug there. In other areas the average current groundwater level will be maintained—naturally, without the current fluctuation..." (Dr Eng Peter Danisovic, chief consultant of the Hydrokonsult, as quoted in the daily UJ SZO.)

"Surface waters...do not endanger the reservoirs of groundwater. After its realignment the main river bed will not supply water but rather equalize water in the soil." (Gyorgy Kovacs, corresponding member of the Hungarian Academy of Sciences for the Research Institute for Water Economy in Budapest.)

Another problem concerns the forests. Again, specialists speak—this time Prof Imre Petrasovics from the Agricultural College in Godollo: "According to forestry experts, it may be said with almost complete assurance that, with the exception of the riparian areas, the current density and yields of forests in Szigetkoz will not be markedly changed." And furthermore: "After the cascades are completed, the hydrobiological environmental conditions for pisciculture in the Danube above Nagymaros will probably improve." The same applies for the Velky Zitny Ostrov.

What should one add? We may quote other experts, for example, Istvan Lang, an agrotechnician and the general secretary of the Hungarian Academy of Sciences: "...Today I dare say with certainty that the waterworks now being built between Gabcikovo and Nagymaros will not cause the environment any major damage that experts cannot prevent...."

"The original river bed will not disappear and become overgrown; it will be regularly dredged and obviously, a sanitary stream will flow through at 50 m per second (a higher rate is now under consideration). We are thinking of damming the river bed (and some of its feeders) in several spots, so that water may flow in the stagnant branches, some of which we shall eliminate

from the whole system." (Eng Jan Vyskocil, chief of the department for the Gabcikovo-Nagymaros waterwork system construction, in the capacity of the plenipotentiary of the CSSR and SSR governments, in an interview with the KVETY weekly)

And one more view: "Every controversial issue has been discussed by groups of experts and we reached the conclusion that it is in our interest and thus, in the national interest, to build this waterwork system; only this cooperation will help us exploit the Danube as our national treasure...." (Peter Havas, plenipotentiary for the waterworks construction of the government of the Hungarian People's Republic.)

There is no need to continue. The answers are clear enough.

9004/7358

CSO: 2400/382

CZECHOSLOVAKIA POLITICAL

HIGHWAY NETWORK DESCRIBED

24000383a Prague DOKUMENTACNI PREHLED in Czech 22 Jul 87 pp 111-7

[Article: "Expressways in the CSSR"]

[Excerpt] The decision concerning the construction of highways in the CSSR was made by the 11th CPCZ Congress in 1958. In 1959 the government approved the principles of a new concept for the expansion of the highway network according to which the updated network of highways would be linked with the network of expressways then under construction. These principles were specified, intensified, and adopted on 10 April 1963 by the CSSR Government in its decision No 286 on the concept of the long-term development of the highway network and bridges. This decision approved the method and the extent of the expressway network in the CSSR, which included the most congested routes measuring a total of 1,711 km and connecting all important political and major economic centers and areas in our state. According to this concept, the CSSR expressway network included the following stretches:

- D 1 Prague-Jihlava-Brno-Trencin-Zilina-Presov-Kosice-the CSSR/USSR border (712 km)
- D 2 Brno (from D 1)-Bratislava (117 km)
- D 5 Prague-Plzen-Rozvadov-CSSR/FRG border (146 km)
- D 8 Prague-Lovosice-Rajec-CSSR/GDR border (99 km)
- D 11 Prague-Hradec Kralove-Nachod-CSSR/Polish border (135 km)
- D 35 Hradec Kralove (from D 11)--Svitavy-Olomouc-Lipnik nad Becvou (following D 47) (185 km)
- D 45 Svitavy (from D 15)-Brno (from D-1) (72 km)
- D 47 Cechyne near Brno (from D 11)-Ostrava-CSSR/Polish border (140 km)
- D 61 Bratislava-Trencin (following D 1) (105 km)
- With the exception of the capital city of the CSSR, Prague, and the capital city of the SSR, Bratislava, the expressways are designed so as to approach

the largest cities of our state mainly tangentially. In the vicinity of Prague four routes--D 1, D 5, D 8, and D 11--are connected with beltway H 1 and with the radial roads (municipal rapid transit) which are part of the primary transit system of the capital city of Prague. Expressway D 1 is connected with the Pankrac radial road, D 5 with the Radlice radial road, D 8 with the Prosek radial road, and D 11 with the Hrdlorezy radial road.

Expressways D 2 and D 61, which converge in Bratislava, are connected with that city's transit system--D 2 in Lamac and D 61 in Senecka; they follow as main roads to the state border.

In view of the more than 20 years since the adoption of the governmental decision No 286, of territorial changes which had taken place, of the situation and deployment of the highway network, the direction and territorial situation of some section of the expressways required partial correction. Such partial adjustments were reviewed in 1986 and presented to the CSSR Government for approval as a report. On 29 January 1987 the government adopted decision No 24 by which it approved the proposal for partial changes in the plans for the highway network as compared with the CSSR Government's decision No 286/1963, namely:

- --elimination of expressway D 41 on the route Brno-Svitavy;
- --construction of expressway D 1 on the route Prague-Tabor-Ceske Budejovice-CSSR/Austrian border;
- --extension of expressway D 2 by a thoroughfare from Bratislava to the CSSR/Hungarian border;
- --extension of expressway D 61 by a thoroughfare from Bratislava to the CSSR/Austrian border;
- --adjustment of the direction of D 11 on the route Jaromer-Trutnov-the CSSR/Polish border;
- --adjustment of the direction of D 1 on the route Presov-Kosice-Michalovce;
- --survey and planning of an expressway interconnection of the already constructed 4-lane highways on the route Trnava-Nitra-Zvolen.

The proposed adaptations expanded the CSSR expressway network to 1,835 km; with the route Trnava-Nitra-Zvolen it will increase to 1,950 km.

Preparations for the construction of the stretch Prague-Brno-Bratislava began in the late 1950's; however, it was not until 1966 that intensive preparations started and the CSSR Government by its decision No 176 ordered that a proposal be submitted for comprehensive construction of that route after 1970. Construction proper of D 1 was launched on 8 September 1967 in the direction toward Prague and of D 2 in the direction toward Bratislava in 1969.

Subsequently construction works began near Brno in the direction toward Prague and toward Bratislava. Despite the relatively slow start of specialized construction and supply facilities and limited investment funds, the first miles were successfully finished and a 22.7 km long stretch between Prague and Mirosovice was opened to traffic already in July 1971. In the program of highway construction at that time the second part of the north-south speedway in Prague was completed along the route connecting the 5 May Street with Kacerov and Sporilov, and highway I/3 between Mirosovice and Benesov.

In agreement with the decisions of the 14th CPCZ Congress, in February 1972 the CSSR Government adopted decision No 25 on accelerated construction of expressways in the CSSR. Although its attention was focused mainly on the route Prague-Brno-Bratislava, the approved program of expanded expressway construction up to 1980 facilitated the preparations for additional construction and for its continuous expansion.

With decision No 246 in 1974, the CSSR Government appointed chief contractors for sections of the projected highway; some of the projects were included among the mandatory tasks of the state plan. In order to fulfill the decisions of the 15th CPCZ Congress and decision No 25/1972 of the CSSR Government, by its decision No 139 the Presidium of the CSSR Government approved in July 1977 the budget and terms of the construction of individual projects, so that the stretch could be opened to traffic along its entire length in 1980. This task was accomplished and the whole 317 km long route Prague-Brno-Bratislava was opened in November 1980. The Lamac thoroughfare in Bratislava was built as a connection with D 2.

In the 1970's construction works began in other sections in addition to the stretch from Prague to Bratislava; in the Fifth 5-Year Plan on expressway D 61 on the section from Bratislava to Trencin, on expressway D 1 in the vicinity of Liptovska Mara, including a 19.1 km long bypass of highway I/18 necessitated by the construction of the waterworks in Liptovska Mara. The construction of both routes continued in the Seventh 5-Year Plan; the construction of the highway overpass and railroad bridge on the Danube in Bratislava began in 1977 and was finished in 1983.

In addition to the stretch Prague-Brno-Bratislava, the construction of exit routes of expressway D 5 from Prague began in 1977 and of exit route of expressway D 11 from Prague in 1978. In 1980, 37.1 km of expressways were open to traffic in the CSSR, with 257.1 km in the CSR and 116.0 km in the SSR. In the CSR is was the expressway stretching from Prague to Brno and the CSR/SSR border; in the SSR part of D 2 from the CSR/SSR border to Bratislava, and the Bratislava-Trnava section of D 61 and the Ivachnova-Liptovsky Hradek section of D 1.

After 1980 the construction of expressway D 5 and D 11 near Prague continued; the construction of D 1 from Brno to Holubice and of D 8 between Behlovice and Trmice in the North Bohemia kraj was launched. In the SSR the works on expressway D 61 continued in the direction toward Trencin; the construction of the highway and railroad bridge in Bratislava and of expressway D 1 in the

Liptov area and on the Presov-Budimir route continued. In addition, the construction of the expressway connecting Bajkalska and Senecka (D 61) and of Lafranconi Bridge (D 2) was launched as part of the main transit system of Bratislava. In the Seventh 5-Year Plan 109.1 km of expressways were opened to traffic and thus, in 1985 the network of functioning expressways was 482.2 km long, of which 318.4 km in the CSR and 163.8 km in the SSR.

Toward the end of 1985 the following expressway routes were open to traffic in the CSR;

D 2 D 5	Prague-Brno-Holubice Brno (D 1)CSR/SSR border Prague-Beroun Prague-Trebestovice	213.0 59.0 19.7 26.7	km km
Tota		318.4	 km

in the SSR:

D 1 Ivachnova—Liptovsky Hradok	26.5	km
Presov-Licartovce	8.4	
D 2 CSR/SSR border - Bratislava (Lamac)	58.0	km
D 61 Bratislava (Senecka) - Piestany	69.5	km
Bridge of Dukla Heroes in		
Bratislava	1.4	km
		· ·
Total	163.8	km

One half of a 7 km long section of D 1 between Liptovsky Hradok and Hybe was opened in 1986. Thus, as of 30 June 1987 total expressways operated in the SSR increased to 170.8 km and in the CSSR to 489.2 km.

While before 1985 the construction of expressways was subject to restrictions on construction as per government decision No 25/1972, since 1981 the principle of control by means of a ban of new projects was reintroduced in the expressway construction program. Its application, along with the restrictive trends in capital investment, untowardly affected the building of expressways, its continuation and efficiency. This trend continues in the Eighth 5-Year Plan, when main efforts are focused on the completion of unfinished projects and on the opening of additional routes to traffic, namely, in the CSR D 5 from Beroun to Bavoryne, D 11 from Trebestovice to Libice nad Cidlinou (detour from the spa of Podebrady), thruway D 8 on the route Rehlovice-Trmice, which together with the highly congested highway route from Nove Dvory to Rehlovice will be a thoroughfare connecting Teplice with Usti nad Labem. In the SSR the section of D 61 between Piestany and Horna Streda and the Bajkalska-Senecka section on D 61 in Bratislava, the Licartovce-Budimir section on D 1, and the Lafranconi (Youth) Bridge on D 2 in Bratislava will be completed. However, the fulfillment of these tasks depends on favorable conditions for the capital investment program as well as on the launching of additional projects--an exit

from Prague (Zdiby-Uzice) on D 8, the Tucapy-Vyskov section on D 47, and the start of the construction of a bypass around Trencin and Chocholna-Skala on D 1.

The projection for the further development of construction in the 1991-2000 period is contingent on a successful accomplishment of the tasks for the Eighth 5-Year Plan and on the creation of conditions for a gradual achievement of objectives whose fulfillment—as follows from the CSSR Government's decision No 24/1987 on the development of the highway network up to 1995—will be reviewed in year 2000 when long-term programs will be evaluated.

According to projections, the following continuous sections of expressways will be open to traffic before the year 2000:

- D 5 Prague-Plzen
- D 8 Prague-Usti nad Labem
- D 11 Prague-Hradec Kralove
- D 35 Praslavice-Lipnik nad Becvou
- D 61 Bratislava-Trencin
- D 1 Presov-Kosicke Olsany and Ivachnova-Vazec

This demanding program will benefit our whole society. After more than 30 years of expressway construction (in the year 2000) the key economic and political centers in our state will be interconnected. According to calculations of economic efficiency, it may be assumed that if in the year 2000 approximately 750 km of continuous stretches of expressways will be open to traffic, in 1981-2020 the savings in highway transportation (fuels, lubricants, wear and tear, substantially lower accident rate, etc) will exceed the annual cost of the construction of new sections and of repairs and maintenance of the highways in operation.

9004/6662

CZECHOSLOVAKIA POLITICAL

COTTAGES BUILT ON FRAUDULENT GROUNDS

24000383b Prague MLADY SVET in Czech 6 Jul 87 p 2

[Article by Jan Hruby: "To the Point"]

[Text] Try to imagine that the national committee issues a permit for a gardeners' colony to be organized in a selected area with the understanding that it will help enrich the local market with the produce grown by the gardeners. However, the so-called gardeners build weekend cabins and cottages on the lots thus obtained and would not even give a thought to the growing of vegetables. This certainly is a clever way to acquire a building lot for a cottage at a time when the regular procedure is very tedious and when we are supposed to preserve every strip of land and to use it in the most efficient way, because our state is one of the countries with the smallest per capita acreage of arable land.

Nonetheless, this does happen. When I discussed such stratagems 4 years ago with Eng Josef Francik, the manager of the department for land preservation at the Ministry of Agriculture and Food of the CSR, he said to me: "Sure, this may be quite ingenious, but only until the appropriate department for construction planning gathers enough courage to raze the cottages of such wise guys. This method may sound harsh, but it is unavoidable because these cases are escalating and only penalties can set an example that may discourage others." When we returned to this topic a week ago, he admitted to me that such penalties were quite rare.

Much as I hate to add to the concerns of cottage owners in the approaching summertime, I cannot help doing it. When order was restored in the land register, control agencies discovered that many builders had exceeded their building permits and that many weekend cottages, garages, all kinds of sheds, etc., had been erected without building permits. I may be accused of pettiness if I fail to mention that here we are talking about well over 100,000 cases.

So what should be done? I am sure that it will be necessary to consider which structures to remove and which not. Of course, our social priorities are clear-cut. We may relax in our own residence, we may keep our car in the garage, we may store our tools under the roof. We may do many things, but as far as food is concerned—we cannot live without it.

POLITICAL

BRIEFS

DRAFT LAW ALLEGED TO BE MARRED BY JARGON--The law on state enterprise is now being drafted and formulated. Some laws--for instance, the law on people's health, No 20/1966 of the Collection of Laws--are written so well in terms of their contents and formulation that they remain in effect for decades with no need to amend or adapt them in any way, while other laws--and the labor code is not the only one--must be, or should be, rewritten every 2 or 3 years. It has been said on various occasions that laws should be formulated so that every one can understand them. For that reason they should be written in correct literary language and not in some technical or economic gobbledygook or officialese. Literary language and a lucid style guarantee the comprehensibility and "longevity" of laws. From this point of view the draft of the law on state enterprise has been somewhat hastily "slapped together." I shall mention one term repeated several times (Articles 36, 38, 46) in a number of variations: "The enterprise is the direct addressee of the outputs of the state plan," "to ensure the mandatory outputs of the state plan," etc. Why is such terminology included in the text of the law? Most of those "outputs" may be quite simply replaced by "tasks" which everyone--economists, technicians, even laborers--can easily understand. Furthermore, someone should advise the authors of the law about the "direct addressee:" as a matter of fact, this law does not apply to computer technology. This is a law on state enterprise and seriously, no "addressee" has a place in it. [By Jaroslav Kells] [Text] [24000383c Prague RUDE PRAVO in Czech 4 Aug 87 p 3] 9004/6662

HUNGARY

POPULATION DATA: JANUARY-APRIL 1987

Budapest NEPSZABADSAG in Hungarian 16 Jun 87

[Text] Statistical reports for the first four months of 1987 show a decrease in the rate of population decline. A comparison of the numbers of live births and deaths shows a more favorable picture than last year. This, however, cannot be interpreted as a definite improvement projected for the entire year. Unlike in March 1986 when many people died from the influenza epidemic, there was no such epidemic this year. The favorable change in statistics for the first four months of 1987 can be attributed to this fact.

At year's end 1986, Hungary's population numbered 10.621 million. This figure is smaller by 19,000 than the closing figure of 1985. Accordingly, during 1986 too the population decline continued. By late April 1987 the total population count was 10.613 million.

During 1986 fewer people got married than in 1985. On the other hand, the number of divorces that increased over several years remained stable. In 1986 there were 2.8 divorces per 1,000 population—unchanged from 1985. Marriage data for the first four months of 1987 are not favorable. During the first four months of last year 15,287 marriages were consummated. The same figure for the same period in 1987 is 13,941. The reduction amounts to about 10 percent, and the figure does not represent a predictable trend for 1987.

Live births during the period declined as compared to last year, and as mentioned before, the number of deaths has also declined. The number of babies born during the first four months in 1987 is 41,165, or 96.7 percent of the comparable figure for 1986.

12995 CSO: 2500/483B HUNGARY

NATIONALITY QUESTION IN HUNGARY, NEIGHBORING STATES EXAMINED

Budapest KRITIKA in Hungarian May 87 pp 15-18

[Article by Antal Bohm: "National Consciousness in the Latter Half of the 1980's"]

[Text] In the article which follows I am going to provide a survey, a sort of summary, of the present status of our national consciousness on the basis of the available information. My sources of information were manifold; I studied the relevant empirical records, in first place the public opinion polls of the Research Center of Mass Communication; participated in several theoretical conventions and debates dealing with historical and national consciousness, and participated in various major sociological research projects into the nationality question, for example in the study concerning the "Political Attitude of the Working Class," which was undertaken jointly by the Institute for Sociology and the Institute for History. Moreover, I perused of course the pertinent scholarly literature, which has fortunately been growing lately, the historical literature and the current debates on the nationality problem. This background information is currently much more extensive and, as a result of empirical records, more objective than it had ever been before. Yet I had to limit myself in this article to the mapping of some general trends, since most problems of this sphere of topics are still delicate, both insofar as their public awareness and alternatives of solution are concerned. I am also clearly aware of the fact that the presentation of all the specifics may provoke debates, antagonism and prejudice, may raise tempers and cause real or imaginary offense.

I shall focus on three groups of issues in this article: the process of changes in national consciousness, the various levels of consciousness and those factors of national consciousness which I consider important and topical.

The Process of Upgrading National Consciousness

There was a period in our long history which was characterized by the lack of, and the hiatus in national consciousness and a lapse in collective memory. Over the last couple of years numerous studies have been written on the socioeconomic conditions of the 1950's, yet little has been said about the impact of those years on our national consciousness that had a lasting effect until now.

Since the mid-1960's we have witnessed an interest of growing intensity in national problems, our historical past and the recent past. Our public opinion has been roused by the patriotic relevance of certain literary works, films or other artistic products, let us mention only the public reaction to the film "Hideg Napok" [Cold Days]. Passionate scientific and ideological debates have arisen around the interpretation of the nationality question, and Hungarian historiography tackled with increasing courage and determination the problems of nationality. Book publishing has also played a role in this favorable development by trying to fill old gaps and starting a renaissance in the literature of memoirs. All this has inevitably contributed to the review and reappraisal of certain historic processes and events. We have experienced growing interest in the events, problems and historic significance of 1918-1919, the Treaty of Trianon and World War II. These processes have gained momentum in the 1970's. We may of course also mention other motives beyond our expanding international relations and touristic experiences. Such information is picked up of course even by those who are not particularly interested in history, do not read, are indifferent toward ideological or scientific debates, but by traveling abroad become aware of the drastic contradictions between ideological declarations and social realities in some neighboring countries.

The process of ideological research and empirical investigations is strongly related to these changes. Workshops are being created for research into specific areas. Thus the image of our society, our knowledge of reality is in the process of becoming more reliable, and we can now appraise and describe more exactly and realistically many aspects of Hungarian social development.

Nowadays we have full series of facts available in many areas by way of mass communication research, which enable us to examine certain phenomena over longer, five, ten and even fifteen year periods.

The changes have of course also international components. The nationality issue has gained momentum all over the world over the last 15 years. It became fashionable to search for the roots, to become acquainted with the traditions of national past. This is of course not only a matter of fashion, but also an expression of the very real significance of the national structure and traditions of the state. In the wake of the integration processes, and to some extent as a reaction to them, the preservation of national (or small community) values, traditions and structures grew into a requirement, as if in this modernizing and—let us add, tormented—world these would be the only or at least the safest ground to cling to.

The influences which we have thus far discussed, or rather only listed, have of course affected Hungarian society as a whole. Yet it remains to be seen to what extent they penetrated the awareness of the population as a whole and its sectors of various social standing, education and schooling. It is a commonplace for any reader, somewhat knowledgeable in sociological literature, that belonging to a social stratum entails a specific class consciousness and that the ideology, behavior and value system of the various population strata are strongly motivated by demographic, occupational, educational and settlement structural differences.

It is obvious that interest in national problems also greatly depends on the social standing of each citizen. Various public opinion polls have shown clearly that interest in such problems grows in direct proportion with the grade of schooling. Thus white collar workers and particularly intellectuals are much more responsive to national problems than less educated and less skilled manual workers. There is also a significant difference between the older and younger age groups, the younger being much more interested, although their sensitivity may also fluctuate within the same generation. (There are symptoms that today's youngest tend to be more indifferent and introverted again.)

The picture as a whole certainly shows dichotomic trends. Over the last 15 years sensitivity to national problems has increased. There is broader popular interest in our historic and recent past — see for example the readership of the magazine HISTORIA. There is also a renaissance in historical studies and analyses. The younger age groups, particularly the intelligentsia and skilled workers, are the ones primarily characterized by this growing interest in history. These population groups are also usually aware of our national concerns and tensions, and their standpoints are often very critical on national issues.

At the same time there is also another trend in today's Hungarian society, i.e. indifference vis-a-vis all kinds of historic or national problems. These population groups are of course also unconcerned about most political and ideological questions, and for them our social system is only legitimate insofar as it provides them with the means of daily subsistence and the available material goods. This sector is constituted by the less educated and skilled population groups. Their way of life is determined by the concerns and tensions of daily subsistence. For over a considerable period of time they have been seeking compensation for the deficiencies of their standard of living in the second economy. Thus they are moonlighting in a second job, often working very hard. Their life is imbued with a kind of "subsistence-realism"; they are not interested in politics and ideology and are unable, in other words unprepared, to think in terms of "people and nation."

Insofar as its dimensions are concerned, the latter tendency is more widespread, yet we have to add that the former shows a trend toward growing and strengthening.

The Levels of National Consciousness

Over the last couple of years our literature of special studies of history has grown by the publication of significant works, and historical scholarships has also produced considerable results. By its realism, objectivity and productivity historiography may perhaps now rightly be considered as the most fruitful discipline among the social sciences. However the question remains whether its scientific standard and results can be transferred to the level of the common man's thinking.

It stands to reason that scientific exploits should directly influence and permeate the thought of our society's members. Yet this assumption hardly meets the realities. Scientific perceptions and results influence—with more or less delay—only the historic consciousness of those who are interested in historic problems anyway. (It is well known that new scientific results reach the schoolbooks and the propaganda of the day with much delay). This means that new findings in historiography will be known and absorbed only by those who have a higher level of historic consciousness and knowledge, and will not affect those who are uninterested. The gap between these two levels of cognition is of course growing.

We should make further distinctions concerning the level of common man's consciousness, since in my opinion there are significant differences between the emotional and cognitive levels. The question may be phrased the same way as before: to what extent are sentiments and knowledge congruent? Do we find a high grade of patriotism only in those who know history well, or does it appear independently and freely from historic knowledge?

Insofar as the level of knowledge is concerned, sociological surveys show unequivocally that both knowledge of history and awareness of nationality are quite defective and poor. (Through a survey made in 1983 we found that 40 percent of those polled were ignorant about the Austro-Hungarian Monarchy; 52 percent did not know anything about the Peace Treaty of Trianon; one third of them had no knowledge about the Finno-Ugrian origin of the Hungarians, and nearly one third thought that there were more than 17 million Hungarians in the world. The answers given concerning current political matters have not been better: 60 percent did not know who was the Hungarian prime minister, and only less than half of them could correctly name the French president or the West German chancellor.) This betrays ignorance about many other educational, political, cultural and other issues. But the facts unambiguously show a very low level of general knowledge.

On the other hand, sentiments can be found even where knowledge was absent. (In the aforesaid poll 82 percent of the polled said that they were moved when hearing the national anthem, and many of them confessed having patriotic feelings at similar occasions.) On the basis of several pieces of information, we may assume that there is an inverse ratio between knowledge and sentiments. The danger inherent in this is that—when knowledge of history is absent—patriotism remains essentially without any intellectual control. This also involves that in the practice the masses, who are not influenced in their patriotism by the knowledge of the facts and processes of history, may be prevailed upon for any kind of purpose. The recent history of Eastern Europe provides several examples for this.

It would be of course desirable that our patriotic sentiments be governed by a well-developed and formed knowledge of history.

National Problems in the Public Opinion

a) Hungarian National Consciousness

Who is Hungarian and what does it mean to be Hungarian? This question may be traditional in our national consciousness, since it was articulated in all phases of our becoming a nation, and it may again be raised today. Among the alternative reponses, Hungarian ethnicity, citizenship, knowledge of our language and particularly Hungarian as a mother tongue, family traditions, sharing the Hungarian culture, intellectual disposition and the fact that someone considers and declares himself Hungarian are the most frequent elements in the answer. Among these various alternatives most people link being a Hungarian--according to various public opinion polls--to the Hungarian state. In this respect the differences according to trade, age and other sociological characteristics are minimal. This is noteworthy from several points of view: insofar as our present boundaries are concerned, most people--around 75 percent--consider the ethnic minorities in Hungary as an integral part of our national framework. Yet beyond the borders the notion of Hungarian identity is much more restricted. Only half of the polled considered the Hungarian minority in the neighboring countries as Hungarians, as forming part of the Hungarian nation, and only 25 percent count the diaspora as part of our nation. Thus the boundaries of the country stand for many of us as the borders of our nationality, the limits of Hungarian identity. We have also found in the course of several polls that, when we inquired about Hungarians outside of Hungary, to many of the people questioned America, Canada or even Austrialia occurred before Rumania or Czechoslovakia. This is interesting since the majority of the participants in the polls were aware of the fact that there are Hungarians also in the neighboring countries. (In one poll 79 percent of the questioned mentioned Rumania, 74 percent Czechoslovakia, 52 percent Yugoslavia, 35 percent Austria and 33 percent the Soviet Union as countries in which large number of Hungarians are living.) The answers we received to this inquiry were strongly motivated by the education of the participants.

Hungarians in the West are considered by fewer of us as Hungarians, belonging to our nation. Characteristically enough only less than two thirds of the polled were aware of the existence of the World Federation of Hungarians.

In the minds of most people the notions of emigration, expatriation and political dissidence appear to be confused when assessing the Hungarians who are living in the West. According to the results of one inquiry, most people (94 percent) had in mind the 1956 wave of emigration, 49 percent mentioned the emigration in 1944-47, 25 percent between the two World Wars and only 7 percent before World War I. In judging emigration to the West, the opinions of the young and the elderly differ significantly. Young people are more likely to claim that everybody has the right to choose the country in which he wants to live and this may be different from his homeland. Yet the majority held the opinion that everybody can make his livelihood in our country, and therefore it is hardly understandable why Hungarians, who are now living in West, emigrated. Many still equaled defection with treason.

b) The Situation of Hungarians Living in Other Countries

As far as Hungarians in the West are concerned, a quite unambiguous assessment emerged from the polls. They found what they had expected, and are living better than if they had stayed in Hungary, although this picture is not so uniform when drawn up by the various age groups.

People's assessment of Hungarians in the neighboring countries is also quite similar. The great majority of those polled was aware of the discrimination against Hungarian minorities. However in this respect we found differences according to the education of the polled. Thus 52-55 percent of the elementary and trade school graduates, 73 percent of the high school graduates and 92 percent of university graduates were of the opinion that the rights of Hungarian naionalities in certain neighboring countries are being violated. There is also a significant difference between those who visited one of the neighboring countries and those who did not. Thus 71 percent of those who went to a neighboring country mentioned this discrimination, while only 48 percent of the others did so, regardless of their educaional level. Insofar as the incriminated countries are concerned, 90 percent referred to Rumania, 30 percent to Czechoslovakia, 6 percent to Yugoslavia, 5 percent to the Soviet Union and 3 percent to Austria. Two-thirds of the polled said that people are concerned about the situation of the Hungarian minorities. In this respect anxiety about them is particularly obvious among the older generations. At this point, instead of further listing the facts, let us draw some conclusions.

It is obvious that the Hungarian population is greatly concerned about the situation of Hungarian minorities in the neighboring countries, from economic, judicial and political viewpoints equally. Lately this concern, let us add anxiety, has grown considerably.

Despite the fact that publicity on these matters is quite restricted, most people are well informed through personal experiences, family or friendship relations, informal channels and the foreign media about the situation of the Hungarian minority. Another question is that this kind of information is of a rather "ad hoc" character and practically uncontrollable, and this has a number of negative effects.

People are inclined to limit the facts of discrimination against Hungarian minorities to the Hungarian-Rumanian relations. The truth, as we well know, is much more complex and we should observe this "complex truth" in our information policy.

c) What Can the Hungarian Government Do?

This question crops up, almost as a refrain, in the various polls. The answer is mostly variable. In view of the fact that this is not only a delicate question, but the answer would require a well defined concept, the ambiguous and contradictory answers become inevitable.

According to one of the polls, the majority (70 percent) believe that the Hungarian government does something in the interest of the Hungarian

minorities. It signs cultural agreements, promotes schooling in Hungarian, pursues negotiations concerning their situations, etc. However only 44 percent of the questioned think that this support is satisfactory, and 37 percent find it insufficient.

In this area of problems the ideas about what the government does, what it could do and what it should do, appear to be singularly confused. It is also unclear who should do what: the Hungarian government, Hungarian public opinion, international public opinion, etc. Skepticism prevails quite often. In one of our polls 47 percent said that the Hungarian government cannot do anything, or do not know what it could do, and according to 63 percent international public opinion cannot do anything either.

On the other hand, insofar as the concept of the treatment of the national minority question is concerned we should show an example and should first curb our nationalistic feelings, only few (3-6 percent) of the polled showed agreement.

The differences of opinion in this respect bear the imprint of the education of the individual participants in the poll.

Recently articles in scientific professional magazines tried to artiulate the question of what we could do. For example: "If already in 1949 an attempt had been undertaken to provide for a forum at which the economic problems of this area's countries can be discussed, and then in 1955 the Warsaw Pact had established a coordinating body for military and political problems, why is it not possible to create such institutions in these countries which would serve as forums for the discussion of minority grievances on the international level, by articulating arguments, rather than squabbling and scoffing at each other? And why is it not possible to establish institutions for the control of minority policies in the socialist countries? And above all why have we postponed for decades to work out a kind of diplomatic strategy or platform which could serve as a basis for public discussion? The principles of such a strategy and its implementation could then soften those tensions which now prevent ever broadening areas of our society to identify themselves with the political force that leads our country?" (Ferenc Glatz)

In my opinion scientific and general thinking are very close to each other in this area of problems.

d) National Characters

What is our opinion about those who belong to other ethnic groups? Which are our judgments and prejudices in the nationality question? These and similar problems are rather seldom examined by us. Often we have confined ourselves to categorical opinions: nationalism, anti-Semitism is growing (eventually decreasing) etc. As far as I know, we tend to think that the distortions of our national consciousness are getting worse, often without really knowing or having studied them. These problems have always served as substitutes for other tensions and latent conflicts. By the way, it is therefore not at all indifferent whether the average Hungarian is really afflicted by the

aforementioned distortions of consciousness, to what extent are we imbued with prejudices, which ethnic groups do we respect and which do we belittle, etc.

In the course of a political attitude poll we asked the participants openly about their opinion concerning Russians, Gypsies, Hungarians, Jews, Austrians, Rumanians and Americans. The answers diverged widely-for example, the people not answering fluctuated between 15 and 35 percent. Those polled seemed to know the Gypsies and the Hungarians best. The most frequent response was something like: "I do not know what they are like, I do not know them." However many said that national characteristics "cannot be judged as a rule," or that "they are people like others." Jews and Austrians got the most objective rating. The most frequent and sharpest prejudices have been articulated concerning the Gypsies; two-thirds of the participants had a negative opinion. Many biased opinions were related to the Rumanians, but prejudices about them were much more expressions of disapproval of the current Rumanian policies, than criticism of them as an ethnic group. Assessment of U.S. policies was also predominant in opinions concerning Americans (the quite tense cold war atmosphere prevailing at the time of the poll dominated these opinions). Insofar as the Germans are concerned, as well as Jews, positive and negative opinions were balanced. Positive opinions prevailed in the rating of the Russians, although also in their case opinions concerning them as an ethnic group and the Soviet Union differed.

In the case of the Hungarians, positive opinions prevailed over the negative ones. Yet we find on the one hand the adjectives "hard working, diligent" as predominant, while on the other those of "cantakerous and lazy." Thus the opinions were divergent also in the case of the Hungarians, the intelligentsia, the more educated groups being more critical in the analysis of our own characteristics. However the picture of ourselves as a whole was rather balanced. There was no trace of national arrogance, nor hints at some shortsighted feelings of supremacy, or self-tormenting masochism.

In sum we conclude that the opinions showed less bias than expected. The lack of knowledge also played a role in this group of answers, yet the kind of "I do not know them, I do not know what they are like" answers primarily referred to those ethnic groups with whom people had no daily contact. On the other hand, much more prejudices have been spelled out concerning the Gypsies, with whom our citizens meet daily, live together with and have a definite opinion about. With respect to the assessment of the Jews, we realized that this question is little known to the average citizen and it does not constitute a problem. Nonetheless in a rather limited section of the intelligentsia it provides much more food for discussion. Historical and literary writings about the Jewry have become more frequent over the last couple of years. However, interest in these is stronger among the intellectuals than among the masses.

Finally we cannot draw the conclusion from the polls that nationalism, anti-Semitism, the collective downgrading of other nations or an apology of the Hungarian ethnicity exist in our society. On the basis of a few polls it is also hard to find out whether the existing prejudices are strengthening or declining.

All of this does not mean of course that national prejudices are non-existent in the Hungarian society, but only that they are by far not as widespread and embedded in the national psyche as we had imagined as a result of a few polemics.

The data available also confirm the need for further in-depth investigations if we want to find a safe guide in these questions of paramount importance. For within our national characteristics there is a spectacular mixture of opinions about the historic past of some specific ethnic groups, about their role in one or other fateful period of Hungarian history, and about their current role and the present (or past) policy of the state built upon that given ethnic group.

e) The Indices of Pride and Shame

The judgment of Hungarians concerning their history (our past and present) and the events of which and persons of whom they are proud or ashamed, are in an organic relationship with our prejudices and national characteristics.

Opinions are also divided in this respect between the mentality of those who are proud with no reason and tend to show off, and those who keep track only of Hungary's defeats. Reality of course is neither so extreme, nor so unambiguous. This is again an issue in which the class position of the polled (schooling, specialization, general education) played an important role. And it is also a problem on which relatively few reliable polls are available to

In the course of the above-mentioned political attitude poll we have also examined the feelings of national pride or shame of the citizens. The results showed that the assumption that some famous sportsmen are now substitutes for the great men of the nation in society's veneration is completely false. And it is not true either that Hungarians have no heroes (only 17 percent of the polled failed to mention their heroes).

The heroes mentioned were: Lajos Kossuth, Sandor Petofi, Istvan Szechenyi and Janos Kadar in this sequence, and in general they were prominent personalities of Hungarian history or sciences. Insofar as the achievements are concerned of which we may be proud, the answers followed this order: our industry (or some of its results), our agriculture, Hungarian sciences and culture, our accomplishments since 1945, and our athletic performances last.

To the question: what should we be ashamed of, almost two-thirds of the polled answered that we had nothing to be ashamed of. The order of the positive answers was: the Horthy era, our current mistakes, our lack of culture, our lack of unity, and only as last, our failures in sports.

And to the question whom should we be ashamed of, we received the following sequence: Miklos Horthy, Ferenc Szalasi, Matyas Rakosi, Artur Gorgey, Imre Nagy, etc.

We may remember our discussions 15-20 years ago on the topic of whether we could be proud of our nationality, or should perhaps be ashamed of it. In

those debates the questions had been drafted in too general terms, and as a result of the lack of concrete concepts, they roused tempestuous polemics. Conversely the questions mentioned above provided us with concrete opinions about the persons and objects of our pride or shame. I think that these concrete examples are proof of a more healthy perception of history, which entails criticism of our historic past (and recent past), finds in it positive aspects and heroes, realizes and does not deny our failures and deficiencies, and keeps in mind also the villians of our history. This positive-negative catalogue of examples shows how complex the historic and national consciousness of our society is, that we tend to neglect in some of our summary judgments.

f) The Image of the Future

This is again a question which lends itself for debates and extremist standpoints. The optimistic perspectives of the 1950's have currently been replaced by the psychosis of "we do not even have a concept of our future," while no one has ever looked into this matter carefully. For the relevant studies have only been started in recent years.

There is a variety of platforms also in this matter. We may include in it questions of our destiny (the future of the Hungarian ethnicity as a whole, of the Hungarian nation, of our national minorities, etc.) and the problems of individual and family planning. This manifold image of the future may have contradictory aspects: it often happens (this was proved by various polls) that even if a person has no definite life strategy, and has a blurred image of the future he may still have a well-defined concept of the future of the Hungarians.

In one of the polls we have raised the question: what will be the position and the role of our country within two hundred years. Three-fourths of the polled thought that it would be like it is today. A little more than half of the answers adopted the theory that by then many other countries will also choose the Hungarian model of socialism. Nearly 50 percent rejected the assumption that by then Hungary will play a leading role in he Danubian Basin, and the majority also disapproved of the negative alternatives, i.e. that Hungarians will become absorbed by its surrounding nations (70 percent), or that in 2200 there will be no mankind (57 percent). These results do not justify a current thesis that Hungarians have a pessimistic concept of the future.

To the question: what does the future of the Hungarian people depend on?—we received the following sequence of answers: on the preservation of world peace, on our country's socioeconomic development, on our national policy, on Soviet—Hungarian cooperation, on the international balance of forces and on cooperation with the socialist countries. On the other hand, only a very low percentage of the polled included our contacts with Hungarians beyond our borders among the factors which may determine our future.

Concerning the immediate future opinions are sundry. People expect improvement or deterioration of our destiny in nearly equal proportion. And when inquiring about their personal perspectives, we found strategies and ideas which included some kind of important personal goal in many answers. On the other hand a

significant portion of the polled—according to some of the records even 30-40 percent of the population—had no definite ideas about their future. The answers on this theme are also very variable. The intelligentsia is characterized by more definite ideas and strategies concerning their life and near future, but at the same time they also have a more pessimistic view of the remote future and the nation's destiny than the manual workers. We also found differences between the views of the various age groups. Criticism is stronger in the views of the younger ones, while the older age groups have a more optimistic view of both their person and the nation's future.

We need some further investigations into these questions for a more reliable overall picture, since—in my opinion—our present social situation strongly influences the image of the future. It is also obvious that this picture may change under the impact of changing circumstances. Over the last couple of years there have been many symptoms of growing tensions in connection with our young people's start of a career and their joining the adult society. And this of course provokes feelings of uncertainty and a pessimistic view of the future among young people, and also stimulates their criticism of the present. All this may ultimately prompt them to become reluctant to participate in social activities and to try finding compensation in private life or simply to adopt deviant forms of behavior.

Summary

On the basis of the major phenomena and trends we have discussed above, we may conclude the following with respect to the evolution and formation of our national consciousness.

Sensitivity for and interest in national problems became much stronger over the last couple of years. This is however rather restricted to the white collar and skilled worker groups and the youth. The attention of the rest of our society is still engaged by the material concerns of everyday life and thus it is indifferent and insensitive toward the problems of our national destiny.

Knowledge and emotions differ greatly also in national problems. This may easily kindle incontrollable emotional outbursts.

Various signs point at confusions in our national consciousness. Particularly opinions about Hungarians in the neighboring countries and our relations with them are imbued with some contradictory factors. Official standpoints and the information to which our population has access through informal channels are often contradictory. There is also an increasing demand on the part of our population to be provided with more public information about the situation of Hungarian minorities beyond our borders and concerning the minority policy of our government. People in ever-increasing numbers have spelled out that if officially and publicly we declare our solidarity with the Palestinians (Ethiopians, Nicaraguans, etc.) then why are we not in solidarity with the Hungarian minorities who are often being discriminated against.

Our traditional nationality policy, i.e. that "we should first of all struggle against our own national chauvinism and set an example in the treatment of the

national minorities for our neighbors," less and less satisfies our population. People no longer consider this policy effective.

There are obvious symptoms showing that by the 1980's Hungarian society has got over the earlier traumas of the nationality issue (our loss of territory and re-annexations, population expulsion, holocaust, etc.) and therefore irredentism, chauvinism and the revision of the borders have few supporters in our society. Our public opinion has a more realistic concept of our homeland's present situation. People's concern for the situation of the Hungarian minorities beyond our borders and their solidarity with them are not motivated by the aforementioned negative factors. Thus it would be senseless to identify this interest, i.e. the demand for knowing better the situation of the Hungarian minorities, as extreme nationalism.

Patriotism is a natural concomitant of our everyday life, yet it is questionable whether we are properly managing the sentiments involved.

12312/12379 CSO: 2500/361 HUNGARY

IDEOLOGICAL-POLITICAL PROFILE OF INTELLIGENTSIA DESCRIBED

Budapest KRITIKA in Hungarian Jun 1987 pp 17-19

[Article by Gyorgy Csepeli: "Ideological and Political Profile of the Hungarian Intelligentsia Today"]

[Text] Every age has its own intelligentsia. Its function is to verbalize and to communicate societal conflicts. For this reason the intelligentsia can never be united. It is always divided into a conservative and a radical wing. The values adopted by individual groups within the intelligentsia receive their force through rationale and credibility that flows from ideologies. Ideologies grow out of interests that provide power to society. Silent social class interests are brought to life in terms of ideologies articulated and proclaimed by the intelligentsia.

Along with the intelligentsia that articulates and represents values, a century of modernization produced another, completely different kind of intelligentsia. Its emergence was slow at the beginning, but as the years passed it increasingly accelerated. This is a pragmatic group: their actions focus on the realization of programs that are responsive to empirical tests. This phenomenon may also be characterized as the twilight of value-based ideologies, although it is possible that the increased presence of the specialized intelligentsia represents no more than a change in the societal role of ideologies, and that the need for values conveyed by ideologies remains unchanged. What has indeed changed is more like the choice between values, the open discussion of values, the emergence of a right to search for values as compared to the earlier uniform conveyance of directed values.

Current sociological studies concerned with the intelligentsia tell us that following liberation the Hungarian intelligentsia too was subject to the effects of modernization. The number of people considered to be part of the intelligentsia has increased in both absolute and in relative terms. Stratified on the basis of social standing, 8 percent of the present age group 25

and over may be viewed as the core of the intelligentsia. A stratification of this group indicates that a majority of the intelligentsia is composed of ideologically neutral professionals (engineers, economists, physicians, agronomists). Some groups within the intelligentsia which continued to rationalize values became marginal. The activities of the rest broadened to include professional elements, such as technical knowledge. Under prevailing secular processes the role of the clergy has dwindled away. Traditionally it was the clergy that formed the part of the intelligentsia which rationalized on the basis of values.

As of recently positions responsible for the direction of society are being filled increasingly on the basis of functional expertise, rather than on the exclusive ground of political values and commitments. All powerful 'reigning' is being replaced increasingly by regulations—even though this process takes place at a slower pace at the local level than would be desirable.

The change that resulted from modernization took place in the course of a few decades—from a historic perspective a short period. As long as dynamic forces exerted their power, there was no obstacle to becoming part of the intelligentsia. All warnings that guarded against the transformation of values were viewed as conservative criticism. This was even more so because modernization emerged within a highly ideological framework, and this framework veiled the emerging trend of thinking in terms of goals and means, and of turning away from values.

Our experiment with modernization took place on the forced course created by an explosive increase in activities and functions that required specialized knowledge. It emerged without providing an alternative, and mostly in response to external pressure. As a result the destruction of values is far greater than would be necessary. And because the change was so sudden, there was no time for new values to evolve—values that would permit society to adjust to its process of adaptation. During the same period the values of the ideology that served as a guide for modernization spectacularly discharged its content.

If a society disregards the issue of how to make use of its increased economic potential, and casts aside the values that should be served by the increased potential, specialized knowledge, and the acceptance of pragmatic goals and means alone will not suffice. Standards—i.e. meanings derived from values—are being questioned. They are not being questioned openly in the limelight of radical critique. Decay comes slowly, the standards deteriorate day after day until in the end the lack of standards produces anarchy.

A shortage of norms and values necessarily accompanies modernization. In Hungary this phenomenon was enhanced by the fact that the evolution of the new system of values and standards did not keep pace with the destruction of traditional values and standards. The nature, function and societal place of the new types of values and norms is completely different from those of the old ones. It is useless to proclaim new values if they serve no other purpose than to substitute and to supplement the old ones. The novelty of the new values can be found in the way they function. It is no longer authority, central know-all above the individual level, or blind faith that determines

the functionality of new values. Instead it is the moment of an individual decision, of individual choice and acceptance that is decisive. One cannot imagine a resolution of this situation without the active and creative interference of the intelligentsia.

The peculiar feature of the present situation is that a new negative aspect was added to all the other negative aspects that were brought about by excessive modernization activities. Dynamic forces no longer exist. The reserves of extensive societal transformation have been depleted ever since the 1960's. We should be embarking on a completely new growth course. Even though it slowed down from time to time, the essence of the 1968 reform movement was to boost the dynamic forces, to establish internal guarantees for those forces, and to establish a functioning, modern socialist society.

This situation will be faced by every researcher who wishes to discover the ideological and political outlines of the 1980's Hungarian intelligentsia. The researcher will find a field of devastated values, and in several of its elements, a cluster of goals that have lost their charge. If, on the other hand, one views this scenario in action and at its depth, he will find that we are still far from the hollowness of a graveyard. Reform has become a historic fact, and the processes catalyzed by reform have become irreversible. The desolate picture instantly comes into motion if we turn our attention to the achievements of reform, rather than pondering the past potential of reform—had it not slowed down from time to time, had it not been so limited from the outset, had it not permitted countervailing forces to prevail.

Considering objective societal processes the situation is far more bright than what we see by viewing only the daily ideological and political processes. Thanks to reform, unlike any other socialist society, Hungarian society can no longer be viewed as one being directed exclusively from one central point. The exclusive central exercise of authority may be necessary in certain moments of history, nevertheless it also carries the risk of incurring negative consequences which are difficult to defend on grounds of changed circumstances.

And the circumstances did change. Societal changes that came about by way of the extensive method, produced some unforeseen, complicated factors. Even though in a negative manner, they did modernize society. They created and mass-produced the individual who is capable of making choices. We are suspiciously observing that individual, because as a result of negative modernization he is more likely to object than to consent. The advancing individualist trend renders monolithic societal direction impossible from the outset. Changes in our external circumstances cannot be disregarded either. As we join the global economic and communication network, doubts about the feasibility of directing society on the basis of long-term forecasts proportionately increase. Increased linkeage has produced an increasing probability of independent changes that are beyond our control. These changes demand instant reactions, which cannot wait for five or ten years because by then the reactions will not only be too late, but will no longer make sense.

As a result of the joint internal and external changes, the practice of a monolithic direction of society which is slated to be continued, becomes the source of errors and mistakes, and of delayed or hasty action. United, easy to mobilize, goal oriented, quick and effective governmental action that enables societal action is increasingly becoming an illusion. It blinds those who believe in monolithic direction so that they do not see the real negative consequences.

It is apparent that we would have done more to defeat these negative consequences had the 1968 reform started and prevailed in a more consistent manner. Nevertheless the fact that we can even discuss the available alternatives, is to the credit of reform. We are doing so in hopes that reform will succeed. It is to the historic credit of all those who fought for reform and who continue to actively serve the purposes of reform, that the 27th Congress of the Soviet Communist Party and the ensuing political and societal practice is based on recognitions identical to those that served as the foundation for Hungarian reform.

Accordingly, our thesis is as follows: the existing ideological and political arens appears as desolate, but there are some potentially promising elements behind desolation. The key to the solution obviously rests with the consistent reorganization of objective economic processes, and in the establishment of an economic mechanism that is efficient and competitive—one that offers an abundant choice of products in return for appropriate personal endeavour. Let us conduct a more thorough analysis before pointing out tasks for the intelligentsia: functions that would help create a new economic mechanism.

Emphases on the technocracy, the emergence of goal-oriented rationale do not favor intellectual values or ideologies anywhere. The economy will develop and the array of available consumer goods will broaden as long as activities based on goal-oriented rationalization are successful. Even though in a one-dimensional manner, people will attribute meaning to life, and society as a whole will not be fundamentally endangered as a result of the devastation of intellectual values and by the waste of some new values. Various disturbances caused by alienation will become more frequent (retreat, insurrection, ritualization), but a conforming lifestyle certainly will provide satisfaction to the bulk of society. Critique that stresses intellectual values, as voiced by the intelligentsia (regardless from which point of the political spectrum such critique may emanate), will necessarily remain isolated.

This situation results in the depreciation of cultural assets, in the questioning of the utility of knowledge, the loss of faith in beliefs and in convictions, and the desolation of human relations, as compared to the traditional form of such relationships. From the viewpoint of various value rationalizations all this may seem as irrational (anti-humanitarian, anti-socialist, anti-ethical, anti-religious, anti-aesthetic, etc.), but this is not being sensed by those involved. To the contrary. Those who follow the consumer rationale are so certain about the validity of their rationale that they will discontinue communicating with their critics and will stigmatize them as deviants from the norm.

The bulk of the intelligentsia will follow the disciples of the pragmatist-conformist lifestyle, and only a minority will accept the thankless Cassandra role of advocating a variety of intellectual values. The only difference under socialist conditions is that those who advocate the official ideology find themselves in a privileged position. Their word is spread through subsidized communication media. But their message will not reach the public either, just as the messages of those who advocate tolerated or forbidden ideologies will not have their effect.

This era is radical from an ideological-political viewpoint. But the radicalism of this age is paradoxical because no one listens to radicalism while society as a whole consumes and increases its material worth.

Once the stage of stagnation or falling behind is reached, the situation evolves in a fully different manner. At that point conformist lifestyle proves to be increasingly unprofitable, the price of satisfaction shows a continuous increase, while the sources of satisfaction shrink. Societal segmentation begins. The ritualist, who by then can produce only a semblance of ceaseless consumption and content, falls away from the army of conformists who still hold positions. Around them the retreating masses darken the horizon. The number of alcoholics, psychopaths, dope addicts, psychiatric cases and suicidals is on the increase. These are the ones unable to produce the means by which conformist lifestyle can be maintained. At best they have a chance to linger about (or, the way they view it: they have no choice but to linger about). The clamor of the remaining conformist consumers then produces groups of deviant insurrectionists. The number of criminals and insurrectionists is on the increase.

The dispursion of the conformist majority suddenly reveals the loss of values and standards which could not be set forth effectively by leading representatives of the intelligentsia during the radical era. By then, however, the receptive medium of society has undergone change. It bends its receptiveness toward value-based ideologies so that the radical character of society vanishes and becomes conservative. This is so because in the midst of constant uncertainties, pessimism, and feelings of being closed in, only those ideologies can have an effect which build on a desire for stability, permanence, peace and order.

The intelligentsia was always distinguished from other social strata by possessing more knowledge and an increased ability to reflect upon the past. While during the era of dynamic modernization the ideologically neutral intelligentsia became the optimistic, creative avant garde of new actions (and consumption), the onset of stagnation prompts the same group to readjust its previously radical ideology into conservative tenets.

Program ideology is being replaced by various situation ideologies. And because in the meantime, as a result of reform, the threshold of tolerance by official ideological and political practitioners would be relaxed, the smallest common denominator of conservatism permits the expression of, and finds followers for the greatest variety of ideologies. This yielding gesture has the effect of taming the earlier ideologies that were viewed as radical and frightening (although a more thorough intellectual-historical analysis perhaps

could prove that those ideologies were never radical, at least their Hungarian variety was not radical).

A 1983 survey showed that increased educational levels (the criterion by which a person's relative status within the intelligentsia is measured,) was accompanied by increased pessimism in judging Hungary's economic accomplishments.

	THE VIEW O	F HUNGARY'S	ECONOMIC CONDITIONS	1978-1983	
N=1610	Grade	Grade	Trade	High	Higher
	School .	School	School	School	Education
Has improved	29 %	22 %	18 %	12 %	9 %
Has worsened	44 %	56 %	64 %	73 %	83 %
Unchanged	27 %	22 %	18 %	15 %	8 %

A similar increase may be discovered regarding future prospects:

THE VIEW OF	HUNGARY'S ECONO	MIC PROSPECTS LATE	1980's
Unskil	lled laborer	Skilled worker	Intelligentsia
	n=622	n=537	n=451
Will improve	26 %	24 %	20 %
Will deteriorate	25 %	30 %	42 %
Will remain unchanged	49 %	46 %	38 %
Source: E. Koyacs et al :	"An Evamination	of Political Att	itudes" Manuscrint

Source: F. Kovacs et al.: "An Examination of Political Attitudes", Manuscript, Social Science Institute, pp 300 and 17.

Objectively recognized hopelessness prompts one to seek hope. Life on earth, the direct experience of everyday life is the primary source for hope. This is definitely not a specialty of the intelligentsia. The foundation of the consensual basis of our society, the chief assurance of its legitimacy is precisely the guarantee to the right to enjoy everyday life.

The most immediate area where everyday life can be experienced is within the family. Our society today considers the family as its primary value. This fact is not being contradicted by the number of divorces and by low birthrate. Family exists as an ideal measurement in the consciousness of our society. The practice that deviates from that standard is being viewed by people with a feeling of guilt. Paradoxically, persons removing themselves from this ideal standard perceive the family in a more inflexible manner than those who live under the ideal standard conditions. The acquisition of the material conditions of family life (apartment, car, vacation homes) present an endless source for motivation, especially under today's more difficult conditions of making a living.

At the farthest opposite point of everyday life we find the other consensually recognized value: the nation. National consciousness that presents itself at the everyday level lacks ideological features. At the everyday level the term 'nation' means no more than a source of personal good feeling, an emotional reserve, a concept that supports some stereotype arguments, if and when the occasion presents itself for a person to ask: 'who am I?'

Public action, active participation in the most diverse programs, and anything that would change the pace of everyday life from its unchanged routine has disappeared. The intelligentsia views this as a void, others perhaps even rejoice over its disappearence.

The overwhelming weight of everyday life has inspired conservative inclinations from the outset, because everyday life is being permiated with a desire for permanence and stability.

Ideologies always demonstrate impatience. They become particularly impatient under circumstances in which action choices are limited, thus preventing an empiricial verification of the ideologically projected reality. Ideological cold-wars develop. Mutual prejudices increase, and the ideological consciousness of 'we' comes to the forefront which by then has nothing to do with the natural identity felt in everyday life.

The prisms of different ideologies refract cultural, economic and political problems in different ways. An increasing conservative-liberal ideological split can be sensed. This suggests the retreat of the state (and of society) from all three spheres. It degrades culture into a private affair, and advocates the tolerance of the most diverse models of identity. In the economy it advocates the omnipotence of market mechanisms; this, however, has some unacceptable socio-political consequences supposedly offset by charitable movements and organizations. In the political sphere it would once again welcome the ideals of classic bourgeois democracy. Theses inspired by liberal ideology repeatedly contain ideas of government based on popular representation, the resurrection of home rule, a broad array of autonomous organizations by citizens, and the separation of the legislative, executive and the judicial branches of government.

As a tactical matter, national conservatism takes into account liberal ideology, even though conservative premises quite obviously differ liberal ideology. Its starting point is a national identity based on civilized nationhood. In order to permit such national identity to prevail it becomes more tolerant with respect to alternative models of identity. sentiment is overtly expressed regarding Gypsies, covertly in relation to Jews, and with a double meaning in connection with nationalities. The center of interest is focused on Hungarian national minorities beyond Hungary's borders, and this focus is insensitive to international relationships that act in a deterministic manner. Some broadly defined 'national' goals render impossible the examination and management of the nation's own economic problems. Regardless of whether it is the market or the plan, everything is appropriate as long as the system appears to serve the national interest. In the realm of socio-politics the safeguarding of idolized family life, and motivation to have children come to the forefront. The advocacy of a political democracy is more a watchword than a fully developed practical It may even be delayed as long as the primacy of national goals is assured.

Socialist ideology that turned conservative rationalizes the existing conditions without critique, by virtue of their very existence. It wishes to support only those identity models which strengthen the unity of the global

socialist system, and sees that as the guarantee for socialism's survival in Hungary. It favors an economy organized and directed by the state, and wishes to limit those outgrowths of the present economic mechanism which it views as liberal. Conservative socialist ideology aims to maximize socio-political objectives, but is incapable to deliver on maximum societal expectations. Unsatisfactory economic performance does not help provide such opportunities either. They envision adjustments in increased centralization and in strengthened equalization. From a political viewpoint they see a single-party system as the only possible solution. Other autonomies, primarily of a corporate character, are subordinate to the single party system. It views democracy as a formal principle whose substance may prevail as a result of appropriate central political decisions and their unified implementation.

Politically interested members of the intelligentsia are polarized along these three ideological approaches. Distinctions are blurred, of course. Public expressions of these approaches frequently overlap and cross over from one approach to another, and are often disguised. It is likely that if we were to view this phenomenon in an empirical manner, we would find a high degree of eclecticism, and that only through the utterances of the spokesman for the various approaches could we typify ideals that are characteristic of the individual approaches.

Supposedly, so far as the majority is concerned, it is not worth the energy to think through, accept and to follow comprehensive ideologies which encompass culture, the economy as well as politics. Although for different reasons, each ideology conveys political risks that are too great. In the case of a liberal or a national ideology one must count on being stigmatized as the 'enemy', and this makes everyday life unnecessarily difficult. In case one advocates a conservative socialist ideology, that person must face consequences that necessarily emerge in case of a societal crisis. And the fact that the standoff situation offers breathing space for neither of the ideologies discourages people to take a stand. They have enough strength only to mutually keep each other in check.

It is these two retarding factors that cause the politically inactive members of the intelligentsia to surrender the rationalities of the liberal, the nationalist as well as the socialist ideologies, and to pursue a direction of open irrationality. If the present trend continues (economic recession, international political uncertainties and tensions) one may predict a further growth of irrationalism.

This process is being facilitated by the fact that irrationalism has no political or economic program, and therefore gains popularity more easily. Its vagueness and its short-order prescriptions for gaining identity present a psychologically tempting alternative for those who wish to break away from everyday life while at the same time are unwilling to think in dimensions of public life or society. This de-economized and de-politicized way of thinking manifests itself in the pursuit of religious life, mysticism, and in mythicized identities. Its popularity among young members of the intelligentsia is particularly noticeable.

The young intelligentsia in particular is struck by the developmental slow-down. Their chances of acquiring a social status commensurate with their education and needs are minimized. In theory, this group could become radical, but the prevailing general conservative trend does not permit radicalization (at present). The radicals of our days assume the risk of being qualified as psychiatric cases. Retreat is a truly inviting alternative for the young intelligentsia—an escape from societally accepted values, and the search for new values. Perhaps environmental protection remains the only field in which they can find secular values (and part of the young intelligentsia does take advantage of this opportunity). The majority regularly loses its irrational path.

The above described ideological situation must not be considered as more than a mere hypothesis. The hypothesis, nevertheless, is based on the results of empiricial examinations of consciousness during the past decade and a half, and is not devoid of knowledge conveyed in published reports. It would be worthwhile to empirically test the validity of this hypothesis.

Yet, the essential question does not pertain to discovering these facts. After all, it is of no primary concern whether today's Hungarian intelligent—sia represents three, four, or perhaps several dozen coherent ideologies. The proportion in which everyday life experiences and ideologically conscious experiences permiate the existential experience of our intelligentsia is important. Nevertheless, that too is indifferent from the viewpoint of the future. Knowledge designed by society is sufficiently flexible and moldable to permit us to influence it as a natural phenomenon. It is of course impossible to bear influence if we place our trust in traditional institutions of education, mass communications and political propaganda. We need far more, and in many respects quite different methods.

Experience shows that ideologically heterogeneous individuals are homogenized primarily through action. Homogeneity can be forced of course, and it is possible to coerce society as a whole to stay within the private confines of everyday life. Such coercive actions, however, are the measures of passivism, of fear, of tolerance, of 'sitting it out', and generally of the stillwaters of history, which threaten with the specter of being left out, of experiencing an irreversible removal from the real world. This is not a responsible political alternative.

Unless we chase rainbows, we must choose between two alternatives. One is to do nothing, to leave present processes as they are, and to continue living from day to day. In this case the societal processes described above (retreating into one's private world, the formation of mutually intolerant ideological precepts, becoming irrational) will continue and the resolution of the resultant conflicts will not come about as a result of the inner forces of our society.

The other alternative is the renewal of socialist ideology, the broadening of its attractive powers, and the recruitment of a united front within society in the interest of realizing empirically controllable action goals. If in the first phase of socialism the rationalization of values became separated from the rationalization of goals, and in the second phase the rationalization of

goals (regarding its tendencies, at least) gained an upper hand, we must begin to think about a period in which we can present a multitude of goals to the people, all of which were conceived under the sign of socialist values.

This type of work cannot be perceived without the mobilization and involvement of the intelligentsia. The watchword 'reform' should be exchanged for the practice of reform, because reform appears to be the sole alternative in which socialist ideological renewal, a victory over ideological countertrends and the constructive mobilization of broad masses of society is possible.

In the cultural field, a renewed socialist ideology could place on its agenda the broadening and flourishing of cultural communications (primarily of Under no circumstances can culture be confined to traditional subjects (arts and sciences). It must encompass the totality of everyday life that evolved through human cooperation. This is a tremendous field in which our backwardness offers a century's worth of sensible activity for those who are let go from damaging, malfunctioning fields of endeavour--occupations which by necessity must be counter-developed. The modernized economy requires work that is unlike any traditional conception of work. In the modernized economy work loses its quantitative dimensions (work time, work allocated for the performance of a given task) and assumes qualitative dimensions. centerpiece of this qualitative dimension is formed by aptitudes, know-how and patterns of knowledge refined by culture, in the fullest sense of that term. Their essential feature is that they are infinite--there always remains room for improvement. And since this new culture requires continuous training, it also requires a measure of socialization that encompasses the totality of individual life. In its new context, socialism should perhaps worry less about dogmatic issues, such as the alienating effects of price and supply conditions, the relative hierarchical position of various forms of ownership, the definition of the working class, whether the allied peasantry is equal or subordinate to the working class, whether the intelligentsia has class or group characteristics, the most beneficial order of the distribution of societal assets, etc. Instead, socialism should convey ideas that pertain to meaningful conditions of human life. Stated in economic terms they would produce a central focus on flexibility, innovation, rationality, profitability, productivity and a sensitivity toward demand. It is indeed an absurd situation when in the name of a mythisized conception of work we experience losses that are intolerable from a societal viewpoint.

The political dimension is most important, because traditionally there has been a temptation to attribute an instant political color to renewal, and to thereby get stuck at the political level. This could produce the sympton of politicizing everything. It is an unfortunate phenomenon in our Eastern European region. It makes it impossible to approach or to judge otherwise non-political issues, such a culture and economics, on their on merits. may assume that by strengthening local political forums, by developing association life and by establishing conditions for communications without having to fear, we will be able to instill sufficient confidence into society to offset the need for more spectacular political reforms. Viewed realistically it becomes apparent that for a long time to come there will be no opportunity to change the political mechanisms that exist Modifying the leadership role of the communist party would mean political

suicide, and it would make no sense to relax the alliances just as it would be senseless to pursue any flirtation or policy that has double meaning. The acceptance of these political axioms would hinder reform only if they were to be veiled or not talked about, or if they were to be presented in an ambiguous manner. An offensive socialist renewal that sets its sites on the future will not change conservatism overnight. The sources of conservatism will diminish in proportion to the extent that the cultural, economic and political effects of renewal can be confirmed empirically.

The intelligentsia must not be viewed as a closed stratum, and under no circumstances should it be regarded as a group completely different from other social strata, one that deserves special treatment. The intelligentsia, and within the intelligentsia the ideologically sensitive group that has reflexes and is willing to broaden the frontiers of knowledge, is also able to produce the values and goals for society as a whole, by which each individual can pursue a sensible life. Gramsci was correct in saying that "everyone is a member of the intelligentsia". Each and every person searches for the meaning Whether this attraction is capable of providing content for the organization of one's life primarily depends on the intelligentsia which produces possible alternatives for that 'meaning'. As conveyed by the intelligentsia, socialist ideology which renews itself under the banner of reform is more than suitable to become a broadly accessible catalog of values and goals for the reconstitution of the societal consensus, and of means by which those values and goals can be realized.

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cso: 2500/483

HUNGARY POLITICAL

SLOVAKIZATION OF HISTORICAL NAMES OFFICIALLY PROTESTED

Budapest KORTARS in Hungarian No 8, 1987 pp 98-100

[Text of the document presented by the Hungarian section of the Hungarian-Czechoslovak Historians Committee concerning the rewriting into Slovak of historical Hungarian names. This text is issued by the leadership of the Hungarian section and meets with the approval of the Hungarian Academy of Sciences' President's Council]

[Article] There has been a clear effort in recent years on the part of authors publishing in Slovak professional archival and linguistic journals to rewrite certain categories of foreign, particularly Hungarian, personal names into Slovak, the names of a number of prominent Hungarian historical figures. all began when the Committee on Historical Terminology, established to work side by side with the Historical Institute of the Slovak Academy of Sciences, worked out and published a detailed plan outlining the guiding principles and methods of this name rewriting campaign; the publication of the plan was soon followed by the practical implementation of rewriting in the first volume of the Slovak Biographical Encyclopedia published in 1986. The theoretical and professional plans for this work, together with their accompanying principles, had also been approved by the Presidential Council of the Slovak Academy of Sciences.

The first volume of the above encyclopedia and the list of names it provides as the standard to be followed throughout the entire work contain a great many names rewritten into Slovak personalities behind which, all prominent figures in the history of the nations that had shared the same state framework before 1918, are all on the record to have considered themselves Hungarian. (e.g., Balint Balassa--Valentin Balasa; Batthyany--Ludovit Bat'an; Miklos Bercsenyi--Mikulas Berceni; Gabor Bethlen--Gabriel Betlen; Istvan Bocskai--Stefan Bockai; Janos Hunyadi--Jan Hunady; Ferenc Rakoczi--Frantisek Istvan Szechenyi--Stefan Seceni; Miklos Wesselenyi--Mikulas Veseleni; Miklos Zrinyi--Mikulas Zrinsky.)

As shown in the minutes of its last session held in 1985, the Hungarian--Czechoslovak Historians' Committee collectively agreed that the Czechoslovak side would be fully briefed on the Hungarian position, after which the whole question of rewriting would be submitted as one of the issues to be discussed at the next--1987--session of the committee. On the initiative of the Hungarian side, and upon the request of the Philosophy History Department of the Hungarian Academy of Sciences, variety of expert opinions had been prepared concerning the Slovak plan* all of which were discussed at the 21 January 1987 session of the Hungarian section of the committee. following is a document prepared by the leadership of Hungarian section (Lorant Tilkovszky, president, Peter Kiraly, vice president, Laszlo Szarka, secretary) -- which had been entrusted with the formulation of the wording of the Hungarian position-on the basis of the opinions, supporting opinions and remarks expressed at that meeting; its content enjoys the full backing of the Presidium of the Hungarian Academy of Sciences.

The Hungarian section of the Hungarian-Czechoslovak Historians' Committee feels compelled to take a stand on this effort, for it not only disregards certain basic--internationally recognized and by the Czechoslovak side also accepted--personal as well as national and ethnic cultural rights, but it may also muddle people's understanding of history.

Included among the internationally recognized personal rights is the right of individuals and families to keep, or if they so decide change their names. The rules of personal name usage are important to preserve for several reasons, and they preclude all forms of arbitrary intervention. Hence, for example, signatures and other legally attested forms of personal names may be peremptory facts in civil law; in historical literature personal names are often of terminological value. Moreover, internationally accepted bibliographical standards also specify rules concerning the writing of names that are binding on all. Furthermore, since personal names are usually indications of their bearers' ethnic affiliation, they also have national and nationality-related characteristics; changing them is the free decision of each individual.

Rights pertaining to name usage cannot be infringed upon even if the names in question are from the past. The names of historical figures—irrespective of what social class or stratum they may have belonged to—must be written in the same form as they themselves had used them in their life time as evidenced by historical sources. In so far as—for whatever reason—the same persons had been known to use various—Hungarian, Slovak or

^{*}For professional opinions on this issue see KORTARS, No.5, 1987.

German--versions of their names, these variations can also be justifiably used in today's references, and should all be listed in lexicographical studies.

The name stock is an integral part of the language and the national culture. Inasmuch as spelling itself is an expression of a given language and culture, the standards governing the writing of names are the orthographic rules of that language. One of the most important basic principles of the Hungarian language is that it observes the traditional way of writing. This principle which--for some time now--Hungarian orthography has consistently observed coincides with the general European development trend whereby languages using the Latin script retain the form used in the original language when citing foreign names, in most cases even when it comes to the spelling In contrast, the recently publicized basic of first names. principles of Slovak transcription completely disregard this trend, ignoring even such phonological peculiarities in the Hungarian language as the marking of long sounds. (e.g., Abaffy--Abafi; Andrassy--Andrasi; Apponyi--Aponi; Gyorffy--Dorfi; Csaszar--Casar; Dessewffy--Dezofi; Pazmany--Pazman.) Our position is that in the case of last names we must insist on adherence to the original form; it must not be altered for any reason, orthographic, phonological or lexical. Generally speaking, the translation of family names is also unacceptable. (e.g., Janos Aprod--Jan zo Sarisskych Sokoloviec; Kubinyi--Kubinsky; Ruttkay--Vrutocky; Miklos Ujlaki--Mikulas z Iloku.) The Slovakization of first names should only be allowed at certain levels of discourse, in situations when such changes are appropriate in terms of the content, function and character of the text; in scientific works, however, it should never be permitted.

The proposed plan for the Slovakization of names is also inconsistent with the official rules of Slovak orthography currently in effect which specifically prescribe the retention of the original form of foreign names that are written in the Latin script. This new and deviating practice introduced on the urging of Matica slovenska and other circles even refuses to take into account the doubts and criticisms voiced by Slovak scientists concerning these attempts. The recently published first volume of the Slovak biographical encyclopedia represents a break from the internationally accepted principles and practice that heretofore have always characterized the publication of Slovak academic encyclopedias.

The justification behind the fostering of the Slovakization of names, i.e., that the Slovak people have a great deal of historical backwardness to overcome in this area, fails to take into account the universally accepted tendency toward the

preservation of the national and ethnic identity of peoples, a principle which today is looked upon as one of the standards of relations and international international law. As far Slovak-Hungarian relations are concerned, it is of particular concern for us to see these demands come to the fore against the background of decades of consistent Hungarian efforts aimed at imbuing the Hungarian national consciousness with renouncements of the Hungarian historical the Magyarization tendencies past. During the past decades, Hungarian lexicographic practice and scientific literature has consistently adhered to the principle of rendering foreign names written in the Roman script in their original form; this principle has also been applied to first names (with the Hungarian pronunciation shown where deemed necessary). The press is also dedicated to ensuring adherence to this practice.

Nor is there any merit to the argument that the manner in which Hungarian names have heretofore been written pronunciation difficulties for Slovaks. Mastering the proper pronunciation of foreign names is a problem which every nation faces, yet people are usually willing to take the extra trouble it entails, if for no other reason, out of respect for other peoples' language and history. At any rate, the Slovak plan in question is also not free of discrimination: it primarily at promoting the Slovakization of Hungarian names. It less consistent when it comes to rewriting the names persons belonging to other peoples of the Danubian basin; moreover, in the case of many foreign names it does not call for Slovakization at all. (e.g., J.J. Rousseau, John Locke, Francesco Petrarca; J.W. Goethe, J.J. Baumler, W.A. Wallenstein, J. Brewer; at the same time, however, they also have Terezia Brunsvikova; David Cvitinger)

certain--purportedly The Slovak also contains plan calming--restrictions. According to these the rewriting of names "does not apply to those long-established names whose bearers had played an important role in Hungarian political and cultural life during the time of the national movements." Already in the plan there were inconsistencies in this regard; moreover, the above mentioned Slovak bibliographical encyclopedia completely ignores these restrictions. And it is in this spirit that they intend to publish other reference books as well. which has become virtually standard practice only adds to our concern.

We consider the Slovak plan and its aims ill-conceived, even behind them the intent to simply may be limited influencing Slovak public consciousness. For a concept that out of the context of the interrelationships of takes a people its historical coexistence with others can only lead to isolation. Making it mandatory to use the Slovak orthographic

form of historical names may have a particularly detrimental effect on the Hungarian minority, specifically on Hungarian journalistic endeavors and book publishing in Czechoslovakia.

In light of the issues, the Hungarian section Hungarian--Czechoslovak Historians' Committee, conscious of its responsibility to help preserve and foster the Hungarian language and Hungarian historical traditions, is firmly convinced that by making its views known not only does it not interfere with the real interests of the Hungarian and Slovak peoples, but it actually promotes the realization of those interests and the objective weighing of the facts. We are also convinced that by combining our efforts we can ensure that all scientific views are taken into account, and that they are brought into closer harmony with the international system of individual and collective rights that are nothing less than vital to ensuring fraternal coexistence and cooperation among the peoples of our region.

Budapest, May 1987

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POLAND

MIODOWICZ ANSWERS FACTORY WORKERS' QUESTIONS

LD192123 Warsaw PAP in English 2036 GMT 19 Aug 87

[Text] Warsaw, 19 Aug--PUWP CC Political Bureau member, Chairman of the OPZZ All-Poland Trade Union Alliance Alfred Miodowicz visited the 16-thousand strong crew of the Starachowice truck plant, southern Poland, today.

A meeting was held in the factory conference hall. What is the case with the fringe benefit coal allotments, why did the trade unions allow the resolution of the Council of Ministers lowering coal allotments to be enacted? inquired Bogdan Rak, a representative of the factory administration.

Miodowicz stated: I would like to refer to the matter somewhat more broadly. As trade unionists recall we are now observing the anniversary of the signing of the August agreements. The agreements signed in Jastrzebie, in my opinion, had the most worker-like character. It was precisely there that an entry was made that coal to specific vocational groups should be guaranteed which the collective labour contracts confirm. We as the trade unions have advised the Ministry of Material Resources that worker crews would justly demand the coal. Especially in view of the fact that the collective contracts are of a much higher rank than resolutions of the Council of Ministers. The OPZZ Executive Committee had already filed a protest to the premier against one of the paragraphs of this document. But at the same time let us bear in mind that coal is a all-national good. It becomes increasingly scarce because we are not able to significantly increase its extraction. We must all save it, stated the OPZZ chairman.

Reaching independence in life is tied with acquiring one's own flat. What can we expect in this respect, asked Zbigniew Kosowski, 28, an activist of the Union of the Socialist Polish Youth, speaking in the name of the factory's young people. Miodowicz replied: the Resolution of the 10th PUWP Congress concerning housing is not being put into effect. These days something has changed. I am referring to the decisions about increasing credits for multiand one-family housing. As a trade union alliance we hold, however, that flats are the high point of the social program for the 90-ties [as received]. If this very troublesome problem is not solved in the near future it will become the most serious barrier to the second stage of economic reform. The trade unions are currently determining the range of undertakings which should remove the barriers blocking housing construction.

Miodowicz devoted much attention to intra-unionist issues, took a stance on price hikes and in the last part of his speech stated that the government was surely not the opponent of the present trade union movement in Poland. We fear bureaucracy the most, on all levels, especially at the "middle". The arrogance of office clerks and the incompetence of many levels of state administration cause the files of the PUWP CC Complaints and Motions Commission to burst its seams. It is, therefore necessary to restructure the state authorities, especially ministries, voivodship, municipal and communal offices.

/9738 CSO: 2020/145 POLITICAL

MEASURES TO FIGHT ALCOHOLISM ASSESSED

AU190905 Warsaw TRYBUNA LUDU in Polish 17 Aug 87 p 2

[Text] PAP--This year over Z13.25 billion have been assigned to combat the plague of alcoholism. This sum, which accounts for 1.8 percent of the value of the sales of alcohol in 1986, is legally deducted from the proceeds of these sales to form the central anti-alcohol fund. Although this deduction increases from year to year, it has still not achieved the legal level of 3 percent of alcohol sales.

Every fourth zloty of this sum is given to institutions and organizations that promote culture and sports as alternatives to the deeply rooted custom of spending one's leisure time "drinking." Over Z6 billion have been provided for investments sponsored by the health and social welfare department, because the number of cure and prevention facilities is far below the needs, despite some progress in the construction of such facilities. Last year the courts sent 13,200 persons to cure centers, but 2,600 patients could not be admitted because there were no vacancies for them. Nor is it possible to provide vacancies for all alcoholics in the social welfare homes. Many towns, including the bigger ones, lack advisory centers and sobering stations, which play a considerable role in limiting alcoholism. In line with the law on educating people in sobriety and on combatting alcoholism, such centers and stations should be set up in all towns of over 50,000 inhabitants. We are still short of 28 such centers and stations, and it is significant that not one has been set up since the law in question became valid. The Politburo, which at the end of July 1987 appraised the performance of the anti-aocoholic law, drew attention to the problem of medical treatment, advisory help, and the poor use of the so-called intermediate forms of cure.

Over Z2.2 billion, which is a large part of the anti-alcohol fund, was provided primarily for assistance to alcoholics and their families and for scientific research into alcoholism.

/9738

CSO: 2600/776

ROMANIA POLITICAL

WRITER DISTINGUISHES 'PATRIOTISM' FROM 'NATIONALISM'

27000260 Bucharest LUCEAFARUL No 31, 1 Aug 87 pp 1,11

[Commentary by Ion Lancranjan, "Standing With Our Country"]

[Text] I do not know if it has been said before, but for me, I have long believed that the anthological poem, "The Wondrous Seed," goes to the very heart of all that was and is evolving in our country. I would even say that this poem could not have been written except in a time like today--a time of toil and hope, a time when a drop of sweat becomes a bead of light, sparkling ever brighter. Many will disagree with this assertion, criticizing me for involving Lucian Blaga in a story in which he had no part. But precisely because he did participate, Lucian Blaga could not but be moved by the times in which he lived, by the good and noble efforts of an entire people. The last years of his life were shadowed by injustice, he himself held guilty for all that he endured in those years--in the view of some---his being forced into the semi-darkness was only a natural part of a great and inevitable "ideological battle," as if that battle could not take place without obscuring national values. But it is not about quilt that I want to speak, but about the way Lucian Blaga addressed our times; about the echo in his consciousness formed by the creative effort of the people of which he was one, the injustices they endured ever failing to embitter or estrange them. One simply cannot imagine Lucian Blaga denigrating his country from here, or from who knows what microphone of dissent and confusion as have so many run-of-the-mill malcontents done and continue to do--people caught up in waves of hostility, wretched souls who cannot see that they are not who they imagine themselves to be.

Eulogizing the seeds--"Praise to the seeds--to those here and hereafter!" Lucian Blaga eulogized, as only he could, the transformations in his country, a country to which he was linked heart and soul. His ties were like those of all the creative geniuses from Romania, from us. Some of them, as was the case with Eminescu, giving everything in this love--the works from their soul being directly conditioned by their self-denial, their intrinsic patriotism being a question of life or death--not some trifle, some convenient cloak to throw on.

Indeed, the work of Lucian Blaga was not unique in the times of which I speak. Other men of culture embraced those same aspirations—Arghezi, Sadoveanu, Vianu, Calinescu—naturally after they had run the gantlet of anticultural, antinational obstructionists, who in the name of revolution launched their

attacks against great values and mores. It was later that their assaults were shown to have other objectives.

The adherence of those named above to the new and innovative ideas of socialism was not undermined by base or degrading interests as some said later, indeed as some say now--people who are violently opposed to what has been done and is being done here, by us. These ideologs cannot believe there can be any value except in hostility and degradation. If you toil here in Romania, if you believed in change and in the renewal of life in and through socialism, if you openly affirmed the convictions you hold, then there can be no value in whatever you write. And, if at some time you were recognized as having merit, that recognition is withdrawn immediately if you do not "behave properly," if you do not toe the line emerging from some "ideological labyrinth," if you do not cast mud where before you had honestly placed a flower. But this is dogmatism--pure and simple, a much more than dubious ideological pressure. The intolerance which stood and stands behind it is reactionary, antipatriotic and antidemocratic; it is incapable of allowing anyone the right to his own convictions. No one can stop me, if I am so moved, to write here in Romania and to believe in what I write, to stand in honesty and sincerity with my country, to be convinced that the true and great questions of Romanian literature and culture are resolved here, not abroad. There were, of course, writers and artists who made major contributions after leaving Romania; there will be others in the future. But for me, I have always believed--regardless of whatever criticism may befall me--that Romanian literature can exist only here in Romania, and that the Romanian writer was and is a patriot by birth, his complete formation and total affirmation impossible to achieve outside of this essential environment.

Taken in this light, the adherence to socialism of the aforementioned and others of the same stature appear to us to be something quite different. They are part of a tradition having nothing whatsoever in common with selling one's soul, betraying "certain ideals" just as the patriotism of today's best writers here in Romania have nothing in common with such shame. This is a socialist Romania, a country in which a great and very interesting literature flourishes, by dint of many people. Certainly they have encountered difficulties of all sorts, objective and subjective--but where in the world is there accomplishment without efforts and difficulties? This literature is not well known abroad, but this does not mean that it does not exist or that it does not have its moments of effervescence. It means only that some--yes, the very ones who rely on schism and slander, on antipatriotism--have boycotted that literature with a ferocity that strips from them their right to be called Romanians. This despite that they--those gentlemen if you will, those gentlemen with the money, those gentlemen with the microphones--have made and continue to make much to do about the Romanian spirit. It is almost as though they do not know who pays them or why, as though they cannot see that they are but simple pawns in a long and fierce struggle. This struggle has consumed-through no fault of ours--much of value, much creative effort of those who have stood and continue to stand, as we say, with our country--loving it just as intensely and sincerely in good and bad; seeing it with eyes open to its golden future, knowing with certainty that this future will become, tomorrow, the present.

In fact, patriotism has no need for explanations and motivations, just as love, any love, has no such need. It exists or it does not; it is not at all like the cooing of a bird on a branch--vocalizing patriotic declarations

having nothing at all to do with patriotism, even if those declarations are sincere. True patriotism is thought actualized; it is will made firm in a dedication which ignores narrow or banal interests; it is love manifested in all that you have done and do, in the entire way you are. The conviction that you are an integral part of a people who exist nowhere else on earth and that you are the son of a land nowhere repeated on this planet is your source of inspiration. It is the decisive factor in your struggle until full realization of the innermost and most noble aspirations, especially when the people to whom you belong are continuously forced to defend their existence. To stand apart in these circumstances, to situate yourself beyond these vital demands, is simply to serve yourself—it is nothingness, the loss of essense being inevitable, if there had been talent to lost.

Patriotism has taken on a new meaning in today's world--as has antipatriotism. This is because there is not infrequent confusion between patriotism and nationalism, love of country being sometimes mixed in an insistent and provocative way with chauvinism, and even with racism. It seems that if you love your country and if you sincerely serve the people, you are a lost soul; you are--according to some--a simple neofascist or neolegionaire. But if you do not love your country, if you do not work with all you being for the people, if you mock and denigrate patriotism, you are instantly elevated and thrust into the spotlight. You are overnight endowed with qualities which you never had before, you are changed into an apostle who fights for "the good of mankind" even if you are only human wreckage. This aspect, this difference in treatment shows unequivocally what is truly at the bottom of the accusations noted above, accusations which have been and continue to be circulated by the chauvinists.

Obviously patriotism must be free of any such turmoil. Once again, examples of true patriotism are found in all those creative giants of ours whom we have named, as well in others--so many others--whose patriotism was naturally interwoven with democracy based on humanism. This was the most vibrant expression of the everlasting nature of our humanism. They placed their patriotism--by all that they did--in universality, making eternal a will and a people.

I return to the "seeds of Lucian Blaga," not just as some literary device, but to once again shed light on certain essential conceptions. I would say that it is much better always and without fail to be aligned with the good, aligned with all that is evolving in our country, for you yourself to be a live and fruitful evolution; to praise that drop of sweat that changes into a bead of light, to be ready at any instant for you yourself to change in this light that is the source of power--just as those who preceded us have done, those creative giants. But not only as they have done, but as the Romanian people have done and continue to do, without waiting for praise or encouragement from any quarter.

12280

CZECHOSLOVAKIA ECONOMIC

EFFORTS AT IMPROVING CONSUMER GOODS EXPORTS DISCUSSED

24000281 Prague SVET HOSPODARSTVI in Czech No 45, 1987 p 2

[Text] Leather, Footwear, and Fur Industry: Unused potential lies in improving the quality of domestic raw materials as well as in great cooperation.

The leather, footwear and fur industries contribute a significant part of the export of Czechoslovak consumer goods, in particular to socialist countries. Despite considerable demands for the import of raw and some processed materials, the net foreign currency earnings of this branch are relatively high, exceeding the consumer goods industries' average.

In 1985, the export of leather and fur goods reached the value of Kcs 4,129 million (in c.i.f. prices of foreign trade); its share in the total Czechoslovak export was 3.4 percent, 3.8 percent of that going to socialist countries. For a long time the basic export item has been leather footwear, which comprised almost 56 percent of the total export from this branch in 1985. The remaining portion consisted of fancy leather goods, as well as gloves, furs, luggage, sporting goods, sports equipment, and various technical goods.

Imports reached the value of Kcs 820 million, of that Kcs 281 million from non-socialist countries (mostly leather-working raw materials from Canada, the Netherlands, Sweden, and the United States). The surplus of exports over imports has been increasing gradually during the course of the last 5-year plan, reaching the amount of Kcs 3,309 million in 1985, of that Kcs 2,925 million in trade with socialist countries, and Kcs 384 million with non-socialist countries.

However, the growth of the favorable balance of trade slowed considerably during the Seventh 5-Year Plan. In 1980, the surplus of exports over imports was Kcs 881 million higher than in 1987, but in the Seventh 5-Year Plan the surplus was on Kcs 492 million. The decline in its growth was caused mostly by the unfavorable conditions in trade with non-socialist countries, where the favorable balance of trade actually declined by Kcs 70 million during the Seventh 5-Year Plan in comparison with the year 1980. The export of Czechoslovak leather and fur goods to non-socialist countries kept increasing significantly up to 1981, when it amounted to Kcs 750 million, that is, 90 percent higher in comparison with the year 1975. However, in 1982 the

marketing conditions in non-socialist markets grew considerably worse, customer interest in leather goods declined, and even the structure of demand changed, in favor of athletic footwear at the expense of leather walking shoes, which have been the key item of Czechoslovak export. At the same time, the competition increased sharply, particularly from Far Eastern countries, and discriminatory and protectionist trends in the trade policies of customer countries grew stronger. That contributed to a decline of the export of Czechoslovak leather and fur goods to non-socialist countries in 1982 semiannually by 16 percent, and in 1983 by another 5 percent. Although in 1984 we succeeded in restoring the growth of export, nevertheless in 1984 it was still 8.3 percent lower than in 1980. The share of leather, footwear, and fur industry in total Czechoslovak exports to non-socialist countries fell, as a result of these developments, from 3 percent in 1975 to 2.4 percent during the last year of the Seventh 5-Year Plan.

Although the export to socialist countries continued to increase during the Seventh 5-Year Plan, the rate was somewhat slower than in the previous 5 years, and in 1985 it actually declined somewhat. In 1976-1980 the Czechoslovak export of leather and fur goods to this area grew by 38 percent, but during the period 1981-1985 only by 32 percent, 0.2 percent of that decline occurring in 1985. The increase in the favorable balance of trade declined from Kcs 644 million in the Sixth 5-Year Plan to Kcs 562 million during 1981-1985. The share of the leather, footwear, and fur industries in the total Czechoslovak export to socialist countries declined from 5.7 percent in 1975 to 3.8 percent toward the end of the Seventh 5-Year Plan.

The growth of export potential of the leather, footwear, and fur industries has been hampered in the past years by certain problems, which could not be entirely resolved even during the Seventh 5-Year Plan. Among them are, in the first place, a considerable obsolescence of some operations, particularly in the primary leather tanning industry, and a slow progress in the modernization of manufacturing equipment. In comparison with the other branches, as well as with Czechoslovak industry as a whole, the technological level of machinery and equipment in this branch remains relatively low. According to the last survey, conducted in 1984, the share of partially or fully automated machinery in the total volume of machinery and equipment in the leather, footwear, and fur industry was 43.9 percent, whereas the average in Czechoslovak industry was 60 percent, and the share of computerized machinery was 5.3 percent, whereas the average in Czechoslovak industry was 10.3 percent. The slow rate of modernization was reflected also in the growing rate of obsolescence of capital assets, as demonstrated by the average increase in their wear and tear, which grew from 44.2 percent at the end of 1975 to 45.9 percent at the end of 1980, and to 47.8 percent toward the end of 1985.

The other problems concern the provision of the necessary raw and processed materials, where the branch is dependent to a considerable degree on imports. As a consequence, the economic results of the branch were very unfavorably affected by the increase in the price of raw materials for the tanning industry on the world markets (for example, the price of oxhide increased more than 2.3 times, and the price of natural rubber by 69 percent). So far, the

possibilities of using domestic raw materials have not been explored well enough. The quality of raw hides from domestic production continues to be unsatisfactory; the standard of deliveries of raw hides shows that the meat industry still considers this a secondary product which is not given the necessary attention, that there still is not a sufficiently close cooperation between the two departments to ensure deliveries or a more appropriate ordering of economic instruments. Not even synthetic sheet materials, which are used as substitutes for natural leather, have the quality, physical properties, or range of products to match foreign standards. Finally, there has not been a sufficient amount of deliveries of textile materials for the footwear and fancy goods production, or of various auxiliary technical preparations from the chemical industry.

During the Eighth 5-Year Plan we shall be counting upon a continued growth in the export capacity of the branches of the leather, footwear, and fur industries and better export efficiency. The basic requisite for achieving this goal is a consistent improvement in the quality and style of the leather goods, as well as a vigorous innovative activity in all the exporting branches. The conditions for fulfilling the export tasks are to be created by means of a program of modernizing production equipment and introducing state of the art technology. However, other branches of the national economy must also contribute. To begin with, it will be necessary to improve the quality of domestically produced natural as well as synthetic raw materials, improve the physical properties of synthetic sheet materials and broaden the range of products as well as of the production of auxiliary technical preparations.

There is also much more than could be done by making more use of cooperation with foreign producers, which would make it possible to import appropriate semifinished products, specialized components and technology in exchange for Czechoslovak export of finished and semifinished goods.

12605/6662

REVIEW OF 1986 STATE BUDGET REVEALS DECREASED GROWTH

23000363a Bonn IWE WIRTSCHAFTSDIENST in German Vol 28 No 25 10 Jul 87 p 1

[Text] The GDR's budget account for 1986, which was approved by the People's Chamber at its 4th session on 26 June, shows M 247.01 billion in revenues and M 246.37 billion in expenditures. This exceeded the amount of the budget proposal by about M 4.1 billion (1.6 percent). Compared with 1985, the state budget rose by 5.3 percenty, following increases of 8.9 percent (1983-84) and 11.2 percent (1984-85).

On the revenue side it is noticeable that the net profit transfer from the nationally owned economy fell from M 40.53 billion in 1985 to M 38.66 billion. Product-related payments were also reduced from M 46.01 billion to M 43.66 billion. In contrast, the "contribution for public resources" (tax on total income) rose from M 26.6 billion to almost M 34 billion. These figures cannot be measured against the published budget proposal, because it does not contain detailed statements. Traditionally, the GDR publishes only "important" income and expenditures for both the budget plan and for the final account, which are often not comparable.

Most of the expenditure entries increased, as far as can be ascertained, compared with the budget for 1985 and the budget proposal for 1986 roughly within the bounds of the growth rates already mentioned. Compared with 1985, expenditures for research and development and for research institutes have dropped, from just under M 3.2 billion to a little over M 2.7 billion. Budget payments for housing rose to about M 15.6 billion (1985: M 14 billion, proposed: M 15.4 billion). Last year M 47.9 billion was spent for "price supports to ensure stable prices for basic commodities and wage scales for the populace," following payments of M 40.6 billion in 1985; M 46.2 billion had been set aside. Health and social services cost the state M 13 billion, in 1985 it was M 12 billion, the estimate had been M 12.7 billion. Revenues from the state health system last year to meet expenditures were M 8.5 billion. The GDR spent about M 34.2 billion for national insurance in 1986, revenues from national insurance came to M 17.7 billion.

Only two expenditure items for 1986 matched the budget plan exactly: "National Defense"--M 14,045.4 billion and "public safety, administration of justice and national border security"--M 5,384.9 billion (1985 M 13,041.2 billion and M 5,027.9 billion respectively).

9581

GRAIN HARVEST FIGURES AS OF 23 AUGUST

AU250835 East Berlin NEUES DEUTSCHLAND in German 24 Aug 87 p 1

[Grain harvest figures as of 23 August 1987]

[Text]

Bezirk	Area	Harvested		Harvest per day	
	Hectare	Hectare	Percent	Hectare	Percent
Dogtool	107 /0/	64 012	22.0	0 510	/ 2
Rostock	197,404	64,913	32.9	8,512	4.3
Schwerin	207,342	78,150	37.7	11,495	5.5
Neubrandenburg	273 , 992	120,947	44.1	17,556	6.4
Potsdam	238,195	151,941	63.8	15,914	6.7
Frankfurt	148,179	79,175	53.4	9,183	6.2
Cottbus	127,948	98,269	76.8	7,411	5.8
Berlin	2,176	1,223	56.2	135	6.2
Magdeburg	295,567	145,047	49.1	15,080	5.1
Halle	246,717	124,137	50.3	10,831	4.4
Leipzig	137,985	83,152	60.3	7,390	5.4
Erfurt	200,317	67,026	33.5	3,299	1.6
Gera	76,779	34,914	45.5	3,844	5.0
Suh1	39,219	12,072	30.8	243	0.6
Dresden	138,895	72,930	52.5	7,676	5.5
Karl-Marx-Stadt	103,530	30,700	29.7	2,407	2.3
GDR	2,434,245	1,164,596	47.8	120,976	5.0

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CSO: 2300/366

OFFICIAL DAILY COMMENTS ON HARVEST DELAY

AU251024 East Berlin NEUES DEUTSCHLAND in German 24 Aug 87 p 2

[Bi. commentary: "Decisive Harvest Days"]

[Text] The harvest report published on page 1 of today's issue shows that cooperative peasants and agricultural workers were able to harvest the grain from 1.165 billion hectares by Sunday. This is 47.8 percent of the crop area. One can be pleased about the progress made over the weekend. But one thing is certain: At no time in the past has there been so much grain in the fields at the beginning of the last week of August.

Therefore there is no time to waste--no hour, no minute. What is required everywhere are resolute actions based on prudent management. Everything that has grown must be harvested by all means. This is all the more so because the crops in the fields have done well. It is true that we have rainy summers in previous years as well. In 1977, for example. That year cooperative peasants and agricultural workers had harvested 68.4 percent of the crop area by 23 August. In 1980 the figure was 57.6 percent and in the most unfavorable year to date, in 1984, 54.8 percent of the crop were harvested by this date. This shows that even in comparison with the most unfavorable years we are behind schedule.

The other side of the coin is that the grain that is still in the fields is of much greater importance than in the years mentioned. The initiatives aimed at further implementing the 11th Party Congress resolutions, the competition in assessing the 13th Peasants' Congress, and the unity of science and agricultural practice have created conditions for the greatest yield ever.

Now time is running short for rye in particular, and also wheat and summer barley are ripe in many places. In the case of the earliest grain species, of winter barley, it is already clear that losses were reduced to a minimum where the harvest collectives used every hour right from the beginning.

Sunday's figures show that peasants and agricultural workers, supported by everybody in the village—the Peasants Mutual Aids Association, the Union of Small Gardeners, Settlers, and Small Livestock Breeders, sportsmen, anglers, pupils, students, and fire brigade, pensioners, etc—efficiently used the sunny hours of the weekend.

Will it remain sunny or at least dry? Nobody knows! But we know one thing: The days are getting shorter, dew is increasing, and the danger of losses is growing every day.

The peasants know that they can rely on the help of the entire socialist society. Based on this and on their own willingness to attain great performances, they are optimistic that they will harvest a good crop under all conditions. From this results their promise: Our peasants' word, which we pledged at the 13th Peasants' Congress, remains our word of honor.

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cso: 2300/366

BRIEFS

LIMITED USE OF CAD/CAM—The famous East Berlin economics journalist Karl—Heinz Arnold has voiced criticism that the CAD/CAM work stations installed in GDR industry for computer—assisted design and manufacture, which play a prominent role in the SED's economic strategy, are in reality used relatively little. He said that, on the average, the utilization of capacity during a working day could not be considered satisfactory. The best figures lay between 14.4 and 12.5 hours. Other factories and combines were still below one half of this time. Combines in paarticular, in which traditionally one shift is worked, showed "mostly an unacceptably low level of utilization." He said that it was also incomprehensible that CAM technology (for the control of manufacturing) was often used noticeably less than CAD technology. As a rule, a delay in using the technology or insufficient time using it resulted from the users having inadequate lead time with the necessary software. There were also "delays" in qualifying employees for computer technology. [Text] [23000363b Bonn IWE WIRSTSCHAFTSDIENST in German Vol 28 No 25 10 Jul 87 p 4] 9581

AUTOMATION EUPHORIA UNREALISTIC—The East Berlin DEUTSCHE ZEITSCHRIFT FUER PHILOSOPHIE has spoken out against the assumption that the social consequences of the continuing automation of industry have already been worked out. The journal described it as "dangerous self-deception" to consider the competition in this area between socialism and capitalism as "already decided in favor of socialism," or even to think that the GDR alreayd had "truly humane solutions" to all the problems and consequences of the microelectronic—based automation of human labor. There was no doubt that the principal work still lay ahead. Overall, automation was a "tremendous task," which could "not be resolved without great efforts and mastering complicated problems," even if no worker in the GDR had to fear unemployment or social uncertainty. The journal called the "struggle to master modern key technologies in a way consistent with socialism" a "race agaisnt time." By its nature it was the "central axis" of the competition against capitalism in all areas of the confrontation of the two systems. [Text] [23000363c Bonn IWE WIRTSCHAFTSDIENT in German Vol 28 No 25 11 Jul 87 p 4] 9581

HUNGARY

HUNGARIAN-SOVIET AUTO INDUSTRY COOPERATION INCREASING

Budapest MAGYAR NEMZET in Hungarian 24 Jul 87 p 3

[Text] Negotiations concerning expanded auto industry cooperation between Soviet Minister of Auto Industry Nikolay Pugin and Hungarian Minister of Industry Laszlo Kapolyi were concluded. Pugin left Hungary on Thursday. The two ministers reviewed various ways in which technological installations needed for the cooperative manufacture of passenger cars could be further developed. They agreed on expanding the cooperative manufacture of components and subcomponents. Pugin was welcomed by deputy prime ministers Frigyes Berecz and Jozsef Marjai.

12995 CSO: 2500/472 HUNGARY

BORDER TRADE WITH YUGOSLAVIA DECREASES TO HALF OF 1984 LEVEL

Budapest MAGYAR NEMZET in Hungarian 16 Jul 87 p 3

[Article: "Hungarians And Yugoslavs Exchange Views At Pecs: What Can Be Done To Enhance Mercantile Trade Along The Border"]

[Text] The Hungarian Chamber of Commerce branch that specializes in trade with Yugoslavia and the Chamber's South Pannonia committee convened those interested in economic cooperation along the Hungarian-Yugoslav border. The meeting took place at the headquarters of the on-going industrial fair of Pecs. Jozsef Gulyas, chairman of the South Pannonia committee said that over the past three years the volume of trade dropped by 50 percent. Current contractual transactions do not fully utilize the opportunities that exist on both sides. Gulyas mentioned several reasons for the slow pace: increased investments and reduced profitability, the need to use bank credits because of delayed payments, and the fact that the choice and structure of merchandise to be traded did not meet the demand.

Gulyas stressed the need to search for solutions. He recommended that a duty-free or preferred status be granted for trade transactions in the border region, and that commercial banks in the border region provide assistance in financing these transactions.

Buric Zsarko, the international secretary of the Slavonian Chamber of Economics (Eszek) attributed the decline in trade mainly to changes in regulations, and particularly to foreign exchange regulations. He claimed that international economic disturbances too contributed to decreasing the volume of trade, together with inflation and an increasing foreign debt that characterizes Yugoslavia's economic condition. He recommended the issuance of applicable licences in October so that the implementation of actual transactions start at the beginning of the year. He also suggested the consummation of long-term cooperative manufacturing agreements. He mentioned several specific trade opportunities that exist in Yugoslavia.

Jozsef Krammel, deputy president of Konsumex urged the need for financial security to be achieved by long-term cooperative agreements. Djukanovic Grujika, Osijek's foreign trade director too listed the obstacles but in the end expressed optimism: at the industrial fair business negotiations, agreements and transactions were progressing at a brisk pace.

Several commenters urged that the decline in trade volume be stopped. A commenter stated that the Hungarian Foreign Trade Bank has already reached an agreement with corresponding Yugoslavian banks. The agreement provides a vehicle to end the existing uncertainties in border trade. At the same time, however, these banks cannot forget recent controversies about delayed payments on loans by enterprises, which has an unfavorable impact.

12995 CSO: 2500/472 HUNGARY

PRIVATE ENTREPRENEURS PARTICIPATE IN TRADE FAIRS ABROAD

Budapest HETI VILAGGAZDASAG in Hungarian 20 Jun 87 p 51

[Article by Andras Domany: "Private Sector Fair Abroad"]

[Text] With a bit of exaggeration one could say that the idea occurred to them as a result of a panic situation, according to Hungexpo studio manager Gizella Gal. This year, however, they will introduce a system: Hungarian craftsmen and professional as well as folk industrial artists will sell their wares at the fairs in Graz, Austria, as well as in Dijon, France and Ravensburg, West Germany.

Hungary happened to be the guest of honor in last year's Dijon gastronomic and consumer goods fair. Appropriately, Hungarian authorities attributed extraordinary importance to that fair, but Hungarian enterprises showed little interest. It was at this point that the organizers advertised for and recruited merchants who would lend more color to the exhibit. There were so many applicants that the judges had difficulty selecting the best.

There are precedents, of course for memorabilia, phonograph records and unique Hungarian food products being sold at Hungarian exhibits abroad. In last year's exhibit, however, it was the private Hungarian craftsman and industrial artist who had a small stand, perhaps a boutique-like shop at the exhibit, and it was the private craftsman or industrial artist who sold his products. They sold everything from jewelry to riding accessories and from woven goods to barrels. The range of products was extremely diverse.

Implementation of the organizers' idea had its complications, however. This year they are trying to eliminate these problems. It would be possible to accomplish that participating merchants receive a 'service' stamp in their passports, rather than a 'tourist' stamp which permits foreign travel only once every three years. On the other hand, these merchants would not be able to obtain foreign exchange for purposes of participating at these fairs, and

foreign trade enterprises would not be able to provide foreign exchange for these purposes either. Accordingly, only those merchants can participate in trade fairs abroad who legitimately possess convertible currency on a BC [abbreviation unknown] account or in a foreign exchange account at the National Savings Bank [OTP]. On the other hand, the foreign exchange income earned from the sale of a merchant's products benefits only those individuals who are recognized professional or folk artists. This, according to present rules, and the process is called 'the right to buy back' -- the right to retain part of the foreign exchange income. The one who is 'only' a small, independent craftsman may claim only the forint equivalent of the foreign exchange he earned, calculated at the official exchange rate. (This then creates a rather absurd situation: suppose someone sells a home-made tablecloth for a few Austrian Schillings, then spends those Schillings at a nearby buffet on a sandwich to satisfy his hunger. This constitutes a violation of the foreign exchange rules.) The organizers have initiated negotiations with the Ministry of Finance in this respect, because the situation presents a Catch 22. individual produces foreign exchange for Hungary, but Hungary does not permit that individual to produce more foreign exchange in the following year. individual cannot retain enough foreign exchange from the previous year to pay for his room and board abroad in the following year. The Ministry of Finance has not yet rendered a decision. Let us recall that the one who travels abroad on official business receives a per diem. If he saves part of that per diem he may bring it home and deposit it into his OTP account. And besides, the firm which dispatches that individual pays for the traveler's room and The small craftsman enjoys none of this, instead, he has some board. additional forint expenditures: he buys space at 9,000 forints per square meter from Hungexpo--the current price at the Graz exhibit -- then pays for his travel, manufactures the merchandise in advance, etc.

Even under these conditions the trip is worthwhile for the small craftsman and industrial artist. But is it worthwhile from the viewpoint of Hungarian foreign trade? One could not expect sales at a rate of several million dollars, but in these days even small amounts are important. As Gal puts it: the foreign exchange produced by the small craftsman and artists is money "found". The total earnings of the Hungarian restaurant and other official establishments at last year's Dijon exposition amounted to 1.5 million francs. Of this amount the private sector produced 600,000 francs. This is not a negligeable amount.

Hungexpo is now applying for an independent right to export so that it can accommodate private sector participants at expositions and fairs. They endevour to eliminate the necessity of having foreign trade experts to accompany private merchants to 'facilitate' transactions, to obtain the necessary documentation, etc. And for the four exhibits planned for 1987 Hungexpo is once again advertising for enterprising small craftsmen and artists. Graz is the first such place, and the slogan fits: 'Kleine Fische, gute Fische'--'Small fish, good fish'.

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HUNGARY

TENSION BETWEEN REGULATIONS, 'INNER LOGIC' OF PRIVATE SECTOR

Budapest FIGYELO in Hungarian 23 Jul 87 p 12

[Article by Geza Jozsef Kovacs, an associate at the Labor Affairs Research Institute: "Tighten Up--Relax"]

[Text] Is it only the small entrepreneur who violates economic regulations? This article analyzes all sides of this issue.

It is regrettable that many people associate small entrepreneurs with rule violations and criminal activities. Are economic crimes of any size more frequent among small entrepreneurs than in other groups, and if so, what prompts this phenomenon? According to an economic regulatory management official there is much criminal contamination among small entrepreneurs. Many ride the waves—so the regulators say—they fish in muddy waters rather than putting in an honest day's work.

Is the relationship really that simple? Should all entrepreneurs who had a run-in with the law be ostricized by society? And would the isolation of only those who ride the waves bring an end to criminal activities in the private sector? Not so, in my opinion. On the basis of many years of related research experience I dare say that part of the criminal phenomena—so far not measurable accurately—may not be ascribed to the entrepreneur's innate, criminal outlook on life. What we have is more like a frequent, broad conflict that arises by necessity between economic rationale on the one hand, and legal provisions on the other. Stated differently, objective factors that flow from the very existence and functional features of the private sector are pregnant with conflicts.

Economic Policy And The Private Sector

In every phase of socialist construction so far, central direction has manifested ambivalence with respect to persons in the private sector. The

situation is no different today. Their activities are desirable, the fulfillment of their function relieves the socialist sector. In other words: they contribute to the better utilization of financial resources. On the other hand, economic policy cannot disregard the fact that the functioning of the private sector creates certain tensions (e.g. in the context of stratified income levels), and that in many areas the private sector not only supplements the supply offered by the socialist sector, but competes with the socialist sector. (Not to mention the fact that so far no satisfactory solution was found to a few problems of ideological nature.)

Taken together, these factors prompt governmental organs to include some restrictive elements into the body of regulations that pertain to the private sector, and to directly or indirectly control private sector income. This takes place by restricting the areas of permissible private sector activities, or by limiting the number of employees a private entrepreneur may hire.

Looking at the regulatory practice one find a "push and pull" regulatory mechanism which produces the following.

- (1) Under favorable market conditions the entrepreneur increases his production or service activities and the volume of goods and services produced; (2) as a result of this development the entrepreneur's gross income will have increased, and so will his net income; (3) this creates tension; (4) restrictive regulatory elements come into play (taxes are the most commonly used restrictive elements: they reduce income); (5) as a result of taxation the entrepreneur's disposable income will be reduced; (6) the entrepreneur will not invest the remaining income (because that would lead to more taxes), instead he spends his income on consumables, which in turn will result in possible additional antagonism on part of society (and moreover, the authorities may be prompted to retort.) The foregoing demonstrates why the regulatory mechanism of 'tighten up--relax' creates conflicts in several respects.
- -- Restrictions do not take into consideration the degree of societal utility of private sector activities, at a time when strong demand for such activities suggests a rather high degree of societal utility;
- -- The restrictions are the direct opposite of the inner logic of entrepreneurship. According to that logic one should always follow the opportunities offered by the market, and one should invest in a way so as to maximize profits.
- -- Quite obviously, an entrepreneur has no interest in the voluntary limitation of his activities. His functioning is not restricted by a lack of market demand, but by a prohibition which appears to the entrepreneur as artificial and unwarranted.

Under existing regulatory conditions, it would seem that the entrepreneur has two choices: he either accepts the 'rules of the game', or he does not. What happens if he accepts? Playing the rules of the game will not inure any benefit if in the following economic cycle (tax year) the entrepreneur restricts his functioning in order to avoid the excessively high tax brackets. Only in the rarest of occasions do tax authorities believe reported

income figures based on reduced volume. In most instances, even if the income remains high, tax authorities assume an even higher income, on the basis of the previous year's data. They will reject the individual report and will estimate the taxes themselves. In other words, the entrepreneur who follows the rules of the game will not be well off, moreover, in extreme situations, his financial balance may be permanently destroyed, which means bankruptcy and existential failure. In such cases the entrepreneur pays taxes after income that does not exist. It thus becomes logical that the violation of rules offers a greater chance for the preservation of financial security. In today's practice we find various kinds of entrepreneurial 'counter strategies'. Their common characteristic is that all try to evade the functional conditions and rules. Some of these strategies are:

- -- Changing and combining organizational forms so as to take advantage of different financial regulations applicable to the various organizational forms. Actually, this is the 'rear door' approach;
- -- Concealment of reasonable levels of capacity and income, or the achievement of a singular individual exemption;
- -- Going for above average profits, even if it takes walking the fine line between legality and violation.

The Sword Of Damocles

One would think that the government actually fights widespread violations consistently, and by applying many of its available sanctions. This is not so In reality, in most instances the authorities having jurisdiction close their eyes upon discovering someone who disregards official declarat-There are many reasons for this attitude. In part, some of the rule violations represent economic advantages for institutions responsible seeing to it that demands are met. They close their eyes as long as the violations ultimately improve the flow of supplies (e.g. small retail sale of privately imported goods.) In part, the application of the principle 'laissez fair, laisez passes' substantially simplifies the conveyance of prevailing economic policy. Namely, in this way, the regulatory control of the private sector can be performed without too frequent changes in the applicable This then leaves the option of criminal prosecution economic regulations. hanging over the heads of entrepreneurs, not unlike the sword of Damocles. the late 1950's and early 1960's the employement of foreign labor ("exploitation") appeared as a neuralgic situation, according to Imre A. Wiener, one of the foremost researchers in the field. In those days stiff sentences were pronounced on the basis of such accusations, but by the 1970's the practice was viewed as a 'venial sin'. (It appears that statements like "we will strike with the full force of law" are usually of a campaign character.)

Or take another situation that has not been clarified. Tax authorities usually begin their proceedings by assuming the existence of tax fraud and therefore over-estimate the small entrepreneur's income. An experienced small entrepreneur therefore will, from the outset, provide a distorted accounting of his income. In the final analysis it is likely that the mutual distortions made by the two parties involved in the taxation process will yield a figure

that is more or less realistic. Nevertheless it is important to underscore that a small tradesman endeavouring to be truthful and correct, would suffer an unquestinable loss. (Tax analyses made by the National Organization of Small Tradesman [KIOSZ] show that novice small tradesmen, in other words those who have no practical experience in playing the game, return their licences to a large degree because of such 'strategic mistakes'.)

Permissions And Prohibitions

The above demonstrates that private undertakings that function pursuant to the logic of rational management are being forced strongly in the direction of committing acts that are punishable under the law. But could the entrepreneurs know in advance how their various decisions will play before the law? This is unclear.

One of the fundamental functions of law, and within that of criminal law is to convey to policy makers, (and within that to economic policy makers), the purpose of prohibitions that affect various groups. But since Hungary's economic policy changes and develops at a far more rapid pace than its criminal policies, the frequent changing of legal provisions is not desirable. The desired flexibility in legal provisions can best be achieved by formulating legal frameworks. Such frameworks permit continual interpretation of concepts and factual situations stipulated within the body of criminal law--in a manner that is most desirable from the viewpoint of economic policy, or what is in harmony with the trend that is considered to be the one to be followed in societal processes. Not being a lawyer, it seems to me that the criminal sanctions and the manner in which those sanctions are applied follow mainly this path. Some specific cases demonstrate the uncertainty of criminal lawyers in interpreting some fundamental economic concepts such as the difference between commercial activities and commercial organizational activities (economic work collectives [GMK] cannot perform the former function but are permitted to perform the latter); or, for example what activities qualify as work, alternatively, what is the threshold for (and what is the content of) income producing activities without work, and where is the dividing line between profiteering and business management that endeavours to make a profit?

There is no theoretical and practical understanding among those who apply the laws concerning such fundamental issues as the significance in criminal law of 'speculation'. There is no uniform theory with respect to the issue of whether a private undertaking automatically qualifies as a prime contractor as soon as he subcontracts work.

Considering these circumstances, how could one expect the fundamentally technically and commercially oriented entrepreneurs to judge uniformly, and in advance each and every facet of their work from the viewpoint of criminal law? Even if they made some endeavours to obtain a basic knowledge of laws, i.e. if they were to study each and every legal provision that could apply to them, the entrepreneurs could not say that they were prepared to face any criminal implication that may arise in the context of their work. After all, in many instances even the courts must seek a decision in principle from the Supreme Court.

These problems cause headaches both for entrepreneurs and for those entrusted to enforce the laws. As long as these problems exist, one cannot summarily condemn entrepreneurial endeavours to seek out market opportunities—by attributing a criminal, speculating or profiteering intent to entrepreneurs.

On the basis of all of the above it appears as illusory to hope that some spectacular results could be achieved through a more stringent enforcement of the laws. Going a step further, I would venture to say that not even the creation of more specific laws, or the plugging of legal loopholes would result in a satisfactory, organized situation. The real solution rests in bringing to an end the fundamental anomaly of economic life. This would emerge by abandoning the practice of a shortage economy and by replacing it with a mechanism which ensures that the proper balance of supply and demand prevails, and by normalizing the contractual relationship between business organizations by approaching these from the viewpoint of the market.

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VIOLATION OF PRICE REGULATIONS INCREASES 44 PERCENT

Budapest NEPSZABADSAG in Hungarian 23 Jul 87 p 9

[Article: "Price Checks In Budapest--Unreported Price Increases--Frequent Overcharging Of Guests--Severe Penalties"]

[Text] Pricing violations have increased 44 percent during the first half of 1987 as compared to the same period last year, Budapest City Council pricing experts announced. About 2,000 social workers examined the prices in 13,156 commercial establishments, of which 3,847 were producers, cooperatives, specialized groups, secondary industry support groups and institutions. So far 929 comprehensive audits—'purpose and subject examinations', so called—and unannounced, on—the—spot inspections have been completed. City Council chairman Richard Nagy had this to say:

"Thirty-one percent of the audits revealed violations; the controllers prescribed severe penalties in 177 instances. Eighty-five establishments were Total reimbursements amount to 7 million ordered to reimburse customers. forints. Proceedings were initiated against 55 persons, and 19 will face disciplinary action. In summary one could say that pricing discipline has not improved, that the frequency of irregularities is unchanged, and that the number of irregularities shows an increasing trend. Several enterprises have abused their monopolistic position and raised prices without justification. The printing and the furniture manufacturing industries have failed to report price increases, but the synthetic chemical industry too demands significant price increases, claiming increased import prices. Hairdressers and cosmeticians frequently overcharge their customers. Prices based on profit target calculations rather than on the basis of supply and demand is the growing Profit target calculations are no longer mandatory. In the garment industry demand for sports and leisure wear, and for products made of natural materials has increased. Taking advantage of the increased demand, merchants tried to increase their profits by effecting unauthorized price increases. A smaller number of discount sales in shops and stores has an adverse effect mainly on low income groups.

The number of violations has increased also with respect to new forms of operation. The controllers discovered a number of disproportionate price deviations and illegal profiteering. The audits revealed that in leased stores the record-keeping for invoices was frequently inadequate. In several bistros, espresso establishments and restaurants the prices charged were those applicable to second class establishments, even though the level of service was commensurate with third- or fourth-class operations. Most violations pertained to the quantity provided. Customers are being served less than the prescribed portions of meat and expensive liqueurs. In several instances the auditors found two sets of menus: a regular menu was meant for the authorities while another one, showing higher prices was presented to guests.

The largest number of penalties was assessed in the construction industry. Eleven entrepreneurs derived illegal, excess profits amounting to 2.7 million forints from small construction jobs and repairs. Following revelation of these irregularities, 44 customers were reimbursed. The illegal profits materialized by virtue of invoices for materials that were not used, and for labor not performed. Construction orders have declined, therefore there is a buyer's market in the construction business. The lower prices implicit in a buyer's market, however, are not being conveyed to the customers. Even today, the technical documentation on construction jobs performed is inadequate, and there are countless irregularities in billing practices.

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TOP 100 ENTERPRISES: INCOME, PRODUCTION RANKED

Budapest FIGYELO in Hungarian 16 Jul 87 pp 5-6

[Article: "The 100 Club"]

[Excerpt] 'The 100 Club' ranking accomplished jointly by FIGYELO and the Central Statistical Office [KSH] contains various indexes relative to the 100 largest production output industrial enterprises. 'The 100 Club' produced 56 percent of the total socialist production in 1986. FIGYELO's ranking indicates that compared to 1984 and 1985, changes in the ranking and thus the pace of mobility among enterprises slowed down in 1986.

The 100 Largest Industrial Enterprises Renked On The Basis Of Value Produced 1986

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10 1 11 1 11 1 12 1 13 1 14 1 15 1 16 1 17 1 18 2 19 1 19 1 19 1 20 1 21 2 22 2 22 2 22 2 22 2 22 2 22	Csepel Automobile Works Tiszs Crude Oil Enterprise Szekesfeherver Light Metsls Works Czd Foundry Plants TAURUS Rubber Enterprise Kobanys Pharmaceuticals Mfg. Borsod Chemical Combine Cspital City Gas Works Vegetable Oil and Laundry Soap Ent. Crude Oil & Natural Gas Exploration E. TUNGSGRAM Inc. Glass Industry Works Thermal Power Ent. Along the Danube Gas Service Ent. Beyond the Tiszs Chinoin Pharmaceutical and Chemical Products, Inc. Cement & Lime Works Tiszs Power Plant Enterprise Budspest Confectionary Enterprise Nitro-Chemical Industrial Works Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+	18 	7 41 35 24 15 39 31 12 18 42 30 32 29 16 48 46 5 22	15 46 40 9 19 10 5 22 - 16 - 6 52	8 10 20 14 30 68 18 13 28 15
12	6 Tiszs Crude Oil Enterprise 3 Szekesfehervar Light Metals Works 2 Ozd Foundry Plants 6 TAURUS Rubber Enterprise 7 Kobanya Pharmaceuticals Mfg. 8 Borsod Chemical Combine 9 Capital City Gas Works 5 Vegetable Oil and Laundry Sosp Ent. 8 Crude Oil & Natural Gas Exploration E. 9 TUNGSGRAM Inc. 9 Glass Industry Works 1 Thermal Power Ent. Along the Danube 10 Gas Service Ent. Beyond the Tisza 10 Chinoin Pharmaceutical and Chemical Products, Inc. 11 Products, Inc. 12 Cement & Lime Works 13 Tiszs Power Plant Enterprise 14 Budapest Confectionary Enterprise 15 Nitro-Chemical Industrial Works 16 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10	58 7 13 29 26 92 88 47	35 24 15 39 31 12 18 42 30 32 29 16 48 46	40 9 19 10 5 22 - 16 -	10 20 14 30 68 18 13 28 15
12	6 Tiszs Crude Oil Enterprise 3 Szekesfehervar Light Metals Works 2 Ozd Foundry Plants 6 TAURUS Rubber Enterprise 7 Kobanya Pharmaceuticals Mfg. 8 Borsod Chemical Combine 9 Capital City Gas Works 5 Vegetable Oil and Laundry Sosp Ent. 8 Crude Oil & Natural Gas Exploration E. 9 TUNGSGRAM Inc. 9 Glass Industry Works 1 Thermal Power Ent. Along the Danube 10 Gas Service Ent. Beyond the Tisza 10 Chinoin Pharmaceutical and Chemical Products, Inc. 11 Products, Inc. 12 Cement & Lime Works 13 Tiszs Power Plant Enterprise 14 Budapest Confectionary Enterprise 15 Nitro-Chemical Industrial Works 16 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10	58 7 13 29 26 92 88 47	35 24 15 39 31 12 18 42 30 32 29 16 48 46	40 9 19 10 5 22 - 16 -	10 20 14 30 68 18 13 28 15
13 1 14 1 15 1 16 1 17 1 18 2 19 1 20 1 21 2 22 2 24 2 25 2 26 2 27 2 28 3 30 3 31 3 33 3 33 3 33 3 33 3 34 3 35 3 36 3 37 4 40 38 4 40 38 4 40 39 4 40 40 40 40 40 40 40 40 40 4	3 Szekesfeherver Light Metals Works 2 Ozd Foundry Plants 6 TAURUS Rubber Enterprise 7 Kobanye Pharmaceuticals Mfg. 4 Borsod Chemical Combine 0 Capital City Gas Works 5 Vegetable Oil and Laundry Soap Ent. 8 Crude Oil & Natural Gas Exploration E. 2 TUNGSGRAM Inc. 4 Glass Industry Works 1 Thermal Power Ent. Along the Danube 5 Gas Service Ent. Beyond the Tisza 6 Chinoin Pharmaceutical and Chemical Products, Inc. 8 Cement & Lime Works 6 Tisza Power Plant Enterprise 7 Budapest Confectionary Enterprise 8 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10	58 7 13 29 26 92 88 47 1 6 - 77 37	24 15 39 31 12 18 42 30 32 29 16 48 46	9 19 10 5 22 - 16 -	20 14 30 68 18 13 28 15
14 1 1 15 1 16 1 17 1 18 2 2 19 1 20 1 1 20 2 2 2 2 2 2 2 2 2 2 2 2 2 2	2 Ozd Foundry Plants 6 TAURUS Rubber Enterprise 7 Kobanya Pharmaceuticals Mfg. 4 Borsod Chemical Combine 0 Capital City Gas Works 5 Vegetable Oil and Laundry Soap Ent. 8 Crude Oil & Natural Gas Exploration E. 2 TUNGSGRAM Inc. 4 Glass Industry Works 1 Thermal Power Ent. Along the Danube 5 Gas Service Ent. Beyond the Tisza 6 Chinoin Pharmaceutical and Chemical Products, Inc. 8 Cement & Lime Works 6 Tisza Power Plant Enterprise 7 Budapest Confectionary Enterprise 8 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10	7 13 29 26 92 88 47 1 6 - 77 37	15 39 31 12 18 42 30 32 29 16 48 46	19 10 5 22 - 16 - 6 52 -	14 30 68 18 13 28 15 - 26 17 16 90 29
15 1 16 1 17 1 18 2 19 1 20 1 21 2 22 2 22 2 22 2 22 2 22 2 22 3 22 2 22 2 22 3 22 2 23 2 24 2 25 2 26 2 27 2 28 3 30 3 31 3 32 3 33 3 34 3 35 3 36 3 37 4 38 4 38 9 39 9 29 9 30 9 31 3 32 3 33 3 34 3 35 3 36 3 37 4 38 9 38 9 39 9 30 9	6 TAURUS Rubber Enterprise 7 Kobsnys Pharmaceuticals Mfg. 4 Borsod Chemical Combine 0 Capital City Gas Works 5 Vegetable Oil and Laundry Soap Ent. 8 Crude Oil & Natural Gas Exploration E. 2 TUNGSGRAM Inc. 6 Class Industry Works 1 Thermal Power Ent. Along the Danube 5 Gas Service Ent. Beyond the Tisza 6 Chinoin Pharmaceutical and Chemical Products, Inc. 8 Cement & Lime Works 6 Tisza Power Plant Enterprise 7 Budapest Confectionary Enterprise 8 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10	13 29 26 92 88 47 1 6 - 77 37	39 31 12 18 42 30 32 29 16 48 46	10 5 22 - 16 - 6 52 -	30 68 18 13 28 15
16 1 17 1 18 2 19 1 20 1 21 2 22 2 22 2 24 2 25 2 26 2 27 2 28 3 30 3 31 3 33 3 33 3 34 3 35 3 36 3 37 40 38 40 38 40 39 40 40 40 4	7 Robenye Phermaceuticals Mfg. 4 Borsod Chemical Combine 0 Capital City Gas Works 5 Vegetable Oil and Laundry Sosp Ent. 6 Crude Oil & Natural Gas Exploration E. 2 TUNGSGRAM Inc. 4 Glass Industry Works 1 Thermal Power Ent. Along the Danube 5 Gas Service Ent. Beyond the Tisza 3 Chinoin Phermaceutical and Chemical Products, Inc. 8 Cement & Lime Works 6 Tisza Power Plant Enterprise 7 Budapest Confectionary Enterprise 8 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10	29 26 92 88 47 1 6 - 77 37	31 12 18 42 30 32 29 16 48 46	5 22 - 16 - 6 52 -	68 18 13 28 15 - 26 17 16 90 29
17	4 Borsod Chemical Combine 0 Capital City Gas Works 5 Vegetable Oil and Laundry Soap Ent. 8 Crude Oil & Natural Gas Exploration E. 2 TUNGSCRAM Inc. 4 Glass Industry Works 1 Thermal Power Ent. Along the Danube 5 Gas Service Ent. Beyond the Tisza 6 Chinoin Pharmaceutical and Chemical Products, Inc. 8 Cement & Lime Works 6 Tisza Power Plant Enterprise 7 Budapest Confectionary Enterprise 8 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10 5-10	26 92 88 47 1 6 - 77 37	12 18 42 30 32 29 16 48 46	22 	18 13 28 15 - 26 17 16 90 29
18 2 19 1 1 20 1 1 20 1 1 21 2 2 2 2 2 2 2 2 2	O Capital City Gas Works Vegetable Oil and Laundry Soap Ent. Crude Oil & Natural Gas Exploration E. TUNGSGRAM Inc. Glass Industry Works Thermal Power Ent. Along the Danube Gas Service Ent. Beyond the Tisza Chinoin Pharmaceutical and Chemical Products, Inc. Cement & Lime Works Tisza Power Plant Enterprise Budapest Confectionary Enterprise Nitro-Chemical Industrial Works Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10 5-10	92 88 47 1 6 - 77 37 25	18 42 30 32 29 16 48 46	6 52	13 28 15 - 26 17 16 90 29
19 1 20 1 21 2.22 2.23 2.24 2.25 2.24 2.25 2.27 2.28 3.30 3.3 31 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3	5 Vegetable Oil and Laundry Soap Ent. 8 Crude Oil & Natural Gas Exploration E. 2 TUNGSGRAM Inc. 4 Glass Industry Works 1 Thermal Power Ent. Along the Danube 5 Gas Service Ent. Beyond the Tisza 3 Chinoin Pharmaceutical and Chemical Products, Inc. 8 Cement & Lime Works 6 Tisza Power Plant Enterprise 7 Budapest Confectionary Enterprise 8 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	10+ 10+ 5-10 5-10 5-10 5-10 5-10 5-10 5-10 5-10	1 6 - 77 37 25	32 29 16 48 46 5	6 52	28 15 26 17 16 90 29
20 1 21 2 22 2 22 2 24 2 25 2 26 2 27 2 28 3 30 3 31 3 33 3 33 3 34 3 35 3 36 3 37 4 38 4 39 2 29	TUNGSGRAM Inc. Glass Industry Works Thermal Power Ent. Along the Danube Gas Service Ent. Beyond the Tisza Chinoin Pharmaceutical and Chemical Products, Inc. Cement & Lime Works Tisza Power Plant Enterprise Budapest Confectionary Enterprise Nitro-Chemical Industrial Works Ganz-MAVAG Locomotive, RR Car, Mach.	5-10 5-10 5-10 5-10 5-10 5-10 5-10 5-10	1 6 - 77 37 25	32 29 16 48 46	6 52 -	15 26 17 16 90 29
22	Glass Industry Works Thermal Power Ent. Along the Danube Gas Service Ent. Beyond the Tisza Chinoin Pharmaceutical and Chemical Products, Inc. Cement & Lime Works Tisza Power Plant Enterprise Budapest Confectionary Enterprise Nitro-Chemical Industrial Works Ganz-MAVAG Locomotive, RR Car, Mach.	5-10 5-10 5-10 5-10 5-10 5-10 5-10	6 - 77 37 25 -	29 16 48 46 5 22	52 - -	26 17 16 90
22 2.22 2.23 2.24 2.25 2.25 2.26 2.27 2.28 3.30 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.	Glass Industry Works Thermal Power Ent. Along the Danube Gas Service Ent. Beyond the Tisza Chinoin Pharmaceutical and Chemical Products, Inc. Cement & Lime Works Tisza Power Plant Enterprise Budapest Confectionary Enterprise Nitro-Chemical Industrial Works Ganz-MAVAG Locomotive, RR Car, Mach.	5-10 5-10 5-10 5-10 5-10 5-10 5-10	6 - 77 37 25 -	29 16 48 46 5 22	52 - -	26 17 16 90
23 2 2 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3 3	1 Thermal Power Ent. Along the Danube 5 Gas Service Ent. Beyond the Tisza 3 Chinoin Pharmaceutical and Chemical Products, Inc. 6 Cement & Lime Works 6 Tisza Power Plant Enterprise 7 Budapest Confectionary Enterprise 8 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	5-10 5-10 5-10 5-10 5-10 5-10	77 37 25	16 48 46 5 22	-	17 16 90 29
24 2 2 2 2 2 2 2 2 2 3 3 3 3 3 3 3 3 3 3	Gas Service Ent. Beyond the Tisza Chinoin Pharmaceutical and Chemical Products, Inc. Cement & Lime Works Tisza Power Plant Enterprise Budapest Confectionary Enterprise Nitro-Chemical Industrial Works Ganz-MAVAG Locomotive, RR Car, Mach.	5-10 5-10 5-10 5-10 5-10	77 37 25	48 46 5 22	-	16 90 29
25 2 26 2 27 2 28 3 29 3 30 3 31 3 32 3 33 3 34 3 35 3 36 3 37 40 38 44 39 2 39 3	Chinoin Pharmaceutical and Chemical Products, Inc. Cement & Lime Works Tisza Power Plant Enterprise Budapest Confectionary Enterprise Nitro-Chemical Industrial Works Ganz-MAVAG Locomotive, RR Car, Mach.	5-10 5-10 5-10 5-10	37 25	46 5 22		90 29
27 2 2 28 3 3 29 3 30 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	8 Cement & Lime Works 6 Tiszs Power Plant Enterprise 7 Budapest Confectionary Enterprise 0 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	5-10 5-10	-	22	-	
28 3 29 3 30 3 31 3. 32 3. 33 3. 34 3 35 3. 36 3 37 44 38 44, 39 29	7 Budspest Confectionsry Enterprise 0 Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.	5-10			-	
29 3 30 3 31 3 32 3 33 3 34 3 35 3 36 3 37 40 38 43 39 29	O Nitro-Chemical Industrial Works 1 Ganz-MAVAG Locomotive, RR Car, Mach.		79			22
31 3.32 3.33 3.34 3.35 3.36 3.37 40.38 4:39 2.5	1 Ganz-MAVAG Locomotive, RR Car, Mach.	5-10			-	25
32 3 33 3 34 3 35 3 36 3 37 40 38 42 39 29		5-10	43 12	45 27	37 20	34 47
32 3 33 3 34 3 35 3 36 3 37 40 38 42 39 29	Factory			· .		
33 3: 34 3 35 3: 36 3: 37 40 38 4: 39 2:	4 EGIS Pharmaceuticals Mfg.	5-10	56	53	12	80
34 3 35 3 36 3 37 40 38 43 39 29	2 Hungarian Cable Works	5-10	86	55	48	32
35 3: 36 3: 37 40: 38 4: 39 2:	3 Csepel WorksMetals	5-10	-	56	50	38
36 3 37 40 38 43 39 29	5 Csepel WorksIron	5-10	67	61	62	36
37 40 38 43 39 29	6 Tatabanya Coal Mines	5-10	11	14	_	35
38 43 39 29		5-10	84	52	13	-
39 29	·	5-10	81	65	- 11	33
	Ganz-Danubius Ship & Crane Works	5-10	22	49	11	70
	9 Pet Nitrogen Works 2 Refrigerstion Mechinery Works	5-10 5-10	62 38	23 80	29 36	78 62
	7 NO C	S_10	1/	04	93	0,
	7 BHG Communications Technology Ent.	5-10 5-10	14 69	86 1	23	84 30
42 2	-	5-10 5-10	69	1 33	_	39 41
	7 Borsod Coal Mines	5-10 2-5	5 -	90	32	41 79
	S Szeged Salami & Meat Combine (PICK)	2-5 2-5	-	-	32 -	79 37
	2 COMPACK Commercial Packaging	2-5 2-5	19	69	24	89
	4 Diosgyor Machine Works (DIGEP)	2-5 2-5	20	93	24 17	-
	6 MEDICOR Enterprise	2-5	16	36	-	44
	l Veszprem Coal Mines B Crude Oil Exploration Enterprise	2-5 2-5	74	44	-	44
	5 Budsprint Textile Printing Enterprise	2-5	15	51	44	64
		1 E		20		
	B Gagarin Thermal Works	2-5 2-5	<u> </u>	20	- 50	42 61
	A Biogel Phermaceuticals Mfg.	2-5 2-5	-	98	59 3/	61 93
	Gyor-Sopron Cty. Livestock & Mest Ind.	2-5		70	34	93
	Southern Plains Gas Enterprise G Graboplast Gyor Wool Weaving & Synth.	2-5	-	70	-	40
	Leather Works	2-5	90	71	51	66
	9 Papa Meat Combine	2-5	98	-	28	
		2-5	-	-	41	97
	O Gyula Meat Combine		_	88	- 04	49
59 83 60 59	O Gyula Meat Combine 6 Chemical Works Along the Tisza	2 - 5 2 - 5	4 9		86	58

The 100 Lørgest Industrial Enterprises Rønked On The Bøsis Of Value Produced 1986

		19	986				
Prod	uction		Value	Personnel	Gross	Export	Domestic
_	lue	Enterprise	Billions		Fixed	Mktg.	Mktg.
		•	Fts.		Assets		
186	'8 5				19	86 Renk	
							4.0
61	60	Concrete and Reinforced Concrete Works		31	60		48
62	62	Budapest Thermal Power Works Ent.	2-5	-	38	·	45
63	67	Hungarian Optical Works (MOM)	2-5.	21	77	27	-
64	52	Mecsek Coal Mines	2-5	9	21	-	53
65	61	Szekszard Mest Packing Enterprise	2 –5	-	85	30	-
66	54	Salgotarjan Foundry Plants	2 – 5	78	-	-	60
67	77	Toolmanufacturing Works (SZIM)	2 - 5	44	92	·31	
68	71	Komerom Crude Oil Enterprise	2-5	-	75	-	. 56
69	80	Dorog Coal Mines	2-5	27	43	_	51
70	78	Oroszlany Coal Mines	2 – 5	23	25	-	57
		·					
-1	70	WOREDVIL Harl Harris Setamonias	2-5	32	68	_	65
71	70	MASTERFIL Wool Weaving Enterprise	2-5	-	-	· _	73
72	68	Budapest Dairy Enterprise		_ ~	• =	_	50
73	73	Budapest Chemical Works	2-5	_	_		67
74	63	Budapest Meat Packing Enterprise	2-5	-	_		54
75	81	BUDALAKK Paint and Synthetic Resin Mfg		- ,		-	-
76	65	Northern Hungary Chemical Works	2-5	-	58	55	91 70
77	82	Hungarian Synthetics Processing Ent.	2-5		66	95	72
78	92	Budspest Electrical Works	2-5	80	9	_	55
79	99	Precision Mechanics Enterprise (FMV)	2-5	46	-	18	-
80	76	Microelectronics Enterprise (MEV)	2-5	50	63	39	-

81	85	Mid-Transdanubia Gas Svc. Co. (KOGAZ)	2-5	-	76	-	52
82	79	Kaposvar Meat Combine	2-5	-	78	38	
83	-	Telephone Factory (TERTA)	2-5	45	-	25	- ,
84	89	Pest-Nograd Cty. Livestock & Meat	2-5	-	-	96	-
85	75	Hungarian Refrigeration Enterprise	2 –5	53	57	67	85
86	97	Northern Transdanubia Electric Power B	2-5	.61	13		, 5
87	90	Kobanya Brewery Works	2 - 5	63	62	-	27
88	87	MMG Automatics Works (MMG-AM Budapest)	2-5	39	-	56	-
89	86	Caola Cosmetics and H'hold Chemic. E.	2-5	· · · -	-	-	69
90	98	Hajdu Industrial Works (HIM)	2 -5	82	-	-	75
	·····						
91	55	Zela Crude Oil Enterprise	2-5	-	-		76
92	94	Hajdu-Bihar Cty. Livestock & Meat	2-5	-	-	72	
93	88	Residential Textiles Enterprise (LATEX		33	82		71
94	100	Almasfuzito Aluminum Oxyde Mfg.	2 5	-	74	_ 21	
95	-	Electric Power Ent. Beyond the Tisza	2- 5	76	. 17	-	19
96	91	Labor Instrumentation Works	2-5	100	-	87	98
97	96	Tisza Shoe Factory	2-5	36	, 	77	99
98	_	Szolnok Cty. Livestock & Meat	2 - 5	-	-	-	96
99	_	Hungarian Viscosa Factory	2-5		54	-	81
100	_	BRG Mechatronics Enterprise	2-5	68	-	26	_
100		BRG Mechatronics Enterprise	4- 3	00	<u>-</u>		· -

		Ind	ustriəl	Tr	usts	
Ranked	On	The	Basis	Of	Value	Produced
			1000			

Production Value		Enterprise	Value Billions	Personnel	Gross Fixed	Export Mktg.	Domestic Mktg.
'86	185		Fts.		Assets 1986 Rank		
1	1	Nat'l Crude Oil & Natr'l Gas Trust	10+	2	2	1	1
2	2	Hungarian Electrical Works Trust	10+	1	. 1	5	2
3	3	Livestock and Meat Packing Trust	10+	3	5	3	3
4	5	Hungarian Aluminum Industry Trust	10+	5	3	2	5
5	4	Wheat Trust	10+	4	4	6	4
6	6	Dairy Enterprises Trust	10+	6	7	4	, 6
7	7	Brick and Tile Industry Trust	2-5	7	6	8	7

The 100 Largest Industrial Enterprises Ranked by Profitability, 1986					
Renking	by finel		Ranking by final ent	erprise achievement	
	proporti-	Enterprise	Per 100 Ft	Don 100 Et	
onate t	o net re-		wage income	Per 100 Ft fixed assets	
186	'85			22200 00000	
1	4	MMG Automatics Works (MMG-AM Budapest)	18	5	
2	-	Telephone Factory (TERTA)	26	7	
3	2	BRG Mechatronics Enterprise(RABA) Precision Mechanics Enterprise (FMV)	19 25	2 22	
4 5	3	Hungarian Optical Works (MOM)	37	10	
6	5	VIDEOTON Electronics Enterprise	23	4	
7	1	BHG Communications Technology Ent.	40	11	
8	-	Hungarian Viscosa Factory	15	21	
9	6	Hungarian RR Car & Machine Works	10	6	
10	12	Borsod Chemical Combine	7	28	
11	10	Tisza Chemical Combine	2	15	
12	8	Kobanya Pharmaceuticals Mfg.	, 13	25	
13	13	EGIS Pharmaceuticals Mfg.	20	19	
14	17	Toolmanufacturing Works (SZIM)	35	17	
15	20	Residential Textiles Enterprise (LATEX)	46	27	
16	30	Refrigeration Machinery Works	28	8 .	
17 18	23 25	Tisza Shoe Factory Nitro-Chemical Industrial Works	43 27	9 24	
19	33	Hajdu Industrial Works (HIM)	32	16	
20	19	Biogal Pharmaceuticals Mfg.	21	13	
		Cools Connection and Pile 12 Charles	12	14	
21 22	18	Caols Cosmetics and H'hold Chemic. E. Northern Hungary Chemical Works	24	32	
23	26	TAURUS Rubber Enterprise	31	12	
24	27	Chemical Works Along the Tisza	11	23	
25	11	IKARUS Autobody and Vehicle Mfg.	5	3	
26	16	Komarom Crude Oil Enterprise	6	26	
27	22	Glass Industry Works	54	36	
28	28	Hungarian Refrigeration Enterprise	45	57	
29 30	29 39	Budapest Chemical Works TUNGSGRAM Inc.	16 69	18 42	
31	36	Lebor Instrumentation Works	41	40	
32	32	MEDICOR Enterprise	61	38	
33	86	Crude Oil Exploration Enterprise	56	55	
34	34	Concrete and Reinforced Concrete Works	59	39	
35	41	Orion Radio & Electric Enterprise	49	34	
36	38	Paper Industry Enterprise	36 ·	54	
37	35	Hungarian Synthetics Processing Ent.	33	43	
38	37	BUDALAKK Paint and Synthetic Resin Mfg.	17	20	
39 40	49 96	Capital City Gas Works MKM Hungarian Cable Works	9 30	48 44	
41	43 56	Csepel Automobile Works	34 68	29	
42 43	56 15	MASTERFIL Wool Weaving Enterprise Diosgyor Machine Works (DIGEP)	68 71	49 53	
43 44	62	Crude Oil & Natural Gas Exploration E.	47	50	
45	51	Szekesfehervar Light Metals Works	29	59	
46	71	Cement & Lime Works	52	73	
47	42	COMPACK Commercial Packaging	8	37	
48 49	67 24	Genz-Denubius Ship & Crane Works Graboplast Gyor Wool Weaving & Synth.	74	65	
47	44	Leather Works	53	52	
50	46	Paks Nuclear Works Enterprise	75	89	
51	50	Zele Crude Oil Enterprise	22	31	
52	31	Chinoin Pharmaceutical and Chemical Prod'		62	
53	45	Selgoterjen Foundry Plants	63	56	
54	54	Kobanya Brewery Works	64	61	
55	61	Csepel WorksIron	57	60	
56 57	81 55	Hungarian Electric Co. Trust	1 20	1	
57 58	55 57	Budapest Confectionary Enterprise Tisza Crude Oil Enterprise	38 3	47 45	
59	63	Csepel WorksMetals	48	67	
60	14	Microelectronics Enterprise (MEV)	82	72	
		•			

Ranking	by final		y, 1986 Ranking by final enterprise achievemen			
-	proporti-	Enterprise				
onate to	net re-		Per 100 Ft	Per 100 Ft		
veni	ue		wage income	fixed assets		
'8 6	185		· · · · · · · · · · · · · · · · · · ·			
(1	66	Budapest Thermal Power Works Ent.	42	74		
61 62	66 44	Budaprint Textile Printing Enterprise	85	69		
63	44 59	Veszprem Coal Mines	86	71		
64	79	Danube Iron Works	73	77		
65	69	Gyula Meat Combine	44	33		
66	72	Gegarin Thermel Works	60	79		
-	72 52	Danube Crude Oil Enterprise	4	51		
67	- -	Szolnok Cty. Livestock & Mest	50	30		
68	65	Szeged Salami & Mest Combine (PICK)	58	66		
69 70	7 0	Tisze Power Plant Enterprise	39	78		
			•,			
71	77	Gyor-Sopron Cty. Livestock & Meat Ind.	65	46		
72	53	Ajka Aluminum oxide & Alum. Foundry	77	70		
73	84	Hajdu-Bihar Cty. Livestock & Meat	51	35		
74	68	Papa Meat Combine	72	64		
75	85	Pest-Nograd Cty. Livestock & Mest	76	41		
76	64	Great Plains Crude Oil & Natural Gas E.	14	63		
77	60	Oroszlany Coal Mines	88	86		
78	7	Vegetable Oil and Laundry Soap Ent.	67	81		
79	100	Szekszard Meat Packing Enterprise	81	76		
80	82	Budspest Mest Packing Enterprise	83	68		
81	88	Kaposvar Meat Combine	. 80	75		
82	-	Electric Power Ent. Beyond the Tisza	79	84		
83	58	Ganz-MAVAG Locomotive, RR Car, Mach.	87	87		
84	74	Northern Transdamubis Electric Power E.	66	80		
85	78	Budapest Dairy Enterprise	78	58		
86	80	Budapest Electrical Works	70	83		
87	89	Almasfuzito Aluminum Oxyde Mfg.	84	82		
88	94	Borsod Coal Mines	89	88		
89	75	Thermal Power Ent. Along the Danube	62	85		
90	73	Lower Matra Coal Mines	ຼ້ 90	90		
91	95	Dorog Cosl Mines	91	91		
92	90	Lenin Foundry Works	92	92		
93	· 91	Ozd Foundry Plants	93	93		
94	48	Gas Service Ent. Beyond the Tisza	94	94		
95	98	Foundry Base Materials	95	95		
96	92	Pet Nitrogen Works	96	96		
97	47	Southern Plains Gas Enterprise	97	97		
98	40	Mid-Transdanubia Gas Svc. Co. (KOGAZ)	98	98		
99	99	Tatabanya Coal Mines	100	99		
100	93	Mecsek Cosl Mines	. 99	100		

Rankin	g by final		Ranking by enterprise	final achievement	
result	proporti-	Enterprise			
onate 1	to net re-		Per 100 Ft	Per 100 Ft	
venue			wage income	fixed assets	
'86	185				
1	1	Nat'l Crude Oil & Natr'l Gas Trust	2	3	
2	3	Hungarian Electrical Works Trust	1	1	
3	4	Dairy Enterprises Trust	6	4	
4	2	Hungarian Aluminum Industry Trust	5	5	
5	7	Livestock and Meat Packing Trust	4	2	
6	5	Wheat Trust	3	6	
7	6	Brick and Tile Industry Trust	7	7	

CSO: 2500/469

POLAND ECONOMIC

DEBT REPAYMENT PROSPECTS VIEWED IN LIGHT OF BALANCE OF PAYMENTS

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[Article by Stanislaw Raczkowski: "Debt Repayment Problems in Light of Poland's Balance of Payments"]

[Text] Poland's huge foreign debt, particularly in terms of foreign-exchange currency, prompts widespread public interest. Much information on this subject is contained in the report prepared last year by the Institute of the National Economy and the Institute of Foreign Trade Trends and Prices, entitled "Poland's Foreign Debt and Ways of Overcoming It." A comprehensive summary of this study was published on 23 September 1986 in the press and was the subject of many commentaries. Particular attention was paid to the developing prospects of the repayment of this debt. Both the use and the repayment of foreign credit was expressed in a country's balance of payments. That is why it is worthwhile to give thought to how they were and are reflected in Poland's balance of payments.

It is a well-known fact that during the entire postwar period a balance of payments was not published in our country because it was treated as a secret document accessible only to a small group of people holding high-ranking party and government positions. Because of the heavy debt and the payments crisis in 1981, it was decided to break with this unfavorable tradition and since 1982 our balance of payments has been published in two versions and accessible to a wide sphere of readers.

Above all, the balance of payments expressed in negotiable zlotys is published annually in abridged form both in the ROCZNIK STATYSTYCZNY and in the MALY ROCZNIK STATYSTYCZNY encompassing many consecutive years. The ROCZNIK STATYSTYCZNY 1986 encompasses the years 1981 to 1985. Because of the different method of settling the accounts of payments turnover, the balance data are expressed separately for turnover in the nonexchangeable currency of socialist countries; i.e., primarily in transferable rubles, and separately for turnover in the foreign-exchange of capitalist countries. Naturally, all of this turnover is calculated in zlotys according to the official rate of exchange.

It should be emphasized that our balance of payments includes revenues and payments actually implemented during the year and not charges and obligations arising during that period. Therefore, it may be said that this is cash

turnover and not that which is recorded in a daily journal [MEMORIALOWE]. In this respect, our published balance of payments deviates from that which is practiced by the International Monetary Fund. However, we do apply this practice when preparing the so-called clearing balance which is published in the BANK I KREDYT monthly.

In accordance with the methodology of the International Monetary Fund, our payments turnover is divided into two basic parts: current turnover [obroty biezace] and compensatory turnover [obroty wyrownawcze], which the Fund describes as capital turnover.

Current turnover encompasses the full value of revenues and payments arising from imported and exported goods, rendered and utilized services, paid and received interest on credit, and money transfers. Current turnover, which is sometimes described as the current account of the balance of payments, shows some kind of balance [saldo] at the end of the year: either an excess of revenues or of current payments. A question arises: What happens to the excess revenues and how is the excess of payments, that is, the current turnover deficit, financed during a given year? The answer to this comes from the compensatory turnover of the balance of payments that is financial in character and is expressed in the ROCZNIK STATYSTYCZNY only with a balance of the various items of this turnover. This may be illustrated with two examples.

In 1985, current turnover in the currency of socialist countries closed with a large deficit in the amount of 91.5 billion zloty primarily because of the excess of payments for imports in foreign trade amounting to 102.7 billion zloty which was only partially compensated by revenues for services. This deficit was financed in compensatory turnover mainly by making use of net long-, medium-, and short-term credit and by reducing the state of bank accounts and net financial operations arising mainly from the devaluation of the zloty.

Also during 1985, current turnover in capitalist foreign-exchange closed with an excess of revenues in the amount of 47.4 billion zloty. To be sure, during that year the repayment of net interest amounted to 235.4 billion zloty. However, that sum was covered by the surplus of revenues from exports and by net revenues from money transfers. Compensatory turnover took on large proportions because we used (+ sign) considerable sums from refinanced and short-term credit and we also used a portion of the reserves from bank accounts. However, at the same time we paid off (- sign) long and short-term credit in an amount 47.4 billion zloty higher and we covered the debit balance of financial operations.

Therefore, it may be said briefly that the excess of revenues in current turnover was used primarily for the repayment of foreign credit.

The publishing of the balance of payments in zloty has great advantages. It makes it possible to compare the dimensions of foreign turnover with other important aggregates of the national economy and to assess their impact on the

domestic economy of the country. Thus, for example, we learn from the balance for 1985 that during that year our exporters acquired a sum of 1,606 billion zloty; i.e., 17.5 percent of the gross national income, from banks for exported goods to both payments areas. Importers deposited a somewhat smaller amount in banks. We also find out that we paid our creditors a net amount of 251.6 billion zloty for interest which corresponds to 6.1 percent of the annual expenditures the national budget. In addition, we find out how many zloty the repayment of credit has cost us. Because of the constant depreciation of the zloty, it is difficult to compare the numerical data of consecutive years. Furthermore, we ought to know how the turnover shaped itself in the original currency. This is of important significance to a country's payment ability.

Therefore, besides the data of the balance of payments in zloty, the balance of payments is also published separately in transferable rubles and separately in dollars to which other currencies of capitalist countries are converted. The balance of payments is published annually in the monthly BANK I KREDYT. Compensatory turnover is expressed more thoroughly in it than in the ROCZNIK STATYSTYCZNY because, in addition to balances, the sums of utilized and repaid credit in a given year are shown, which greatly facilitates orientation in the payments situations. We will continue to make use of the data from this version of the balance, i.e., in two foreign currencies.

The results of the balance of payments are expressed in the increase or decrease in the foreign debt. Data on the state of Poland's foreign deficit at the end of each year in transferable rubles and in dollars may be found in the above cited IGN [Institute of the National Economy] and IKiCHZ [Institute of Foreign Trade Trends and Prices] Report and from 1982, also in successive issues of ROCZNIK STATYSTYCZNY. From this data it follows that Poland's long-and short-term debts in foreign-exchange, which in 1971 amounted to barely \$1 billion, rose to \$5.2 billion in 1974, and to \$25.4 billion in 1981. Therefore, during the course of scarcely 7 years, i.e., from 1975 to 1981, the foreign deficit rose by \$20.2 billion. Thus, it increased at a rate of nearly \$3 billion annually. during the following years, it continued to grow and in 1986 it reached a level of \$33.5 billion. The increase in the deficit from 1982 by \$8.1 billion came about for three reasons.

First of all, we had obtained certain new credit during that time whose repayment during the last 3 years has already surpassed its implementation.

Secondly, because of the insufficient revenues from exports, we can only afford to repay a part of the interest due whereas the unpaid interest augments the state of our deficit. As a result, our debts have already increased by several billion dollars. The worst part of all is that because of this we are running ourselves into greater debt while nothing is coming into the country in the form of imports. Moreover, we must pay additional interest on the interest added to the principal. This interest amounts to several hundred million dollars annually.

Thirdly, it is a well-known fact that nearly half of our debts were expressed in dollars and the second half in other foreign-exchange, e.g., francs, marks, pounds, schillings, etc. If this second half is to be calculated in dollars, then the result depends on whether the dollar is strong or weak in relation to other currencies. If it is strong, then this other half converted into dollars decreases. However, if it is weak—this other half increases. As a result of the decline in the dollar's rate of exchange from the end of 1985 to the present time, the overall sum of our debts expressed in dollars rose by several billion, although the debt in the original currencies has not changed.

The sum of our debts in foreign-exchange at the end of 1986 amounted to, as we have mentioned, \$33.5 billion. At that time, this corresponded to 6,700 billion zloty, that is approximately 60 percent of the annual national income of Poland, relatively a fivefold export value for foreign-exchange. To this we should add the debt in transferable rubles, which at the end of 1986 came to 6.5 billion rubles. This corresponded to the sum of 617 billion zloty, or 5.5 percent of Poland's national income or two-thirds of the annual export in the currency of socialist countries.

It is interesting to examine how the process of utilizing and subsequently repaying foreign credit is reflected in the balance of payments.

During the period of incurring debts, additional funds appear from foreign credits which enable the additional importing of goods beyond our capabilities. at that point, a margin of payments for imports over revenues from exports—a trade balance deficit—appears in the balance of current turnover. Of course, in compensatory turnover an increase in debts by an analogous amount corresponds to it. A new item—payments resulting from interest on implemented credit—also appears shortly afterward in current turnover. If other current revenues from services, tourism, and remittances do not suffice to cover this interest, then to finance the arising deficit in the entire sum of current turnover, it is necessary to obtain additional credit abroad. Such a situation had existed in Poland since 1975 in trade turnover with capitalist countries.

Gradually, it was increasingly necessary to borrow in order to cover this interest because the revenues from services and remittances did not suffice. From a net total of \$24.4 billion of credit used from 1972 to 1981, approximately \$5.7 billion was allocated for the repayment of interest, of which \$1.8 billion was set aside for this purpose in 1980 alone. Unfortunately, proper attention was not paid to this problem during the 1970's. However, such a situation does not have to occur. Currently, for example, we have been borrowing for many years from the Soviet Union and paying interest on this. However, we are using all of the new credit for the importing of goods. In 1985, this constituted 1.2 billion transferable rubles. Admittedly, we paid 207 million rubles in interest during that year but the revenues from services were significantly higher than the interest and we did not have to incur any further debts in order to pay off this interest.

The situation changes the moment that the repayment of the debt principal begins. In the balance of current turnover, an excess of revenues must appear after the payment of all interest enabling the repayment of the principal installments. A particular situation exists currently in our balance of payments with capitalist countries. Since 1983, the current account constantly shows profit margins of \$62 million, \$787 million, \$322 million. respectively, and in 1986, even \$996 million. However, this does not mean that we can set aside that much for the repayment of debts. This comes about from the specific system of reducing the interest in our balance. Only actually paid interest, e.g., \$1,767 million in 1985, is represented in it [balance]. But this is not everything yet because the sum of the interest due for this year amounted to approximately \$2.5 billion. Thus, we ran out of funds for the repayment of approximately \$0.7 billion in interest. We owe this amount to our creditors and it has raised the overall sum of our debt. although it is not included in our balance of payments which, as we have mentioned, encompasses only the payments actually made. However, this sum is included in the clearing balance which encompasses the entire amount of arising charges and obligations. The International Monetary Fund recommends the latter; i.e., the showing in the balance of current turnover of the entire amount of interest due in a given year and, in the case of compensatory turnover, the showing of the sum of unpaid interest which increases the overall sum of our debt.

For the time being we are continuing to use our old method, but, for the needs of the Fund, we will also provide a more accurate table prepared according to the Fund's method.

What are the immediate prospects for Poland's balance of payments in the currencies of capitalist countries in the light of the considerations presented thus far?

The first task with which we are faced is to achieve a complete balance in current turnover in these currencies, for example, such a situation in which current revenues will be sufficient to cover all of the interest due in a given year. What is of essence is to finally curtail the increasing debt which results form this. Unfortunately, in 1986 the debt rose again by approximately \$1.4 billion.

In looking at current turnover as a whole, we must remember two things. First of all, that besides current net revenues from foreign trade and services, money transfers constitute an important source of revenues. In 1981, their sum total came to \$654 million. However, half of this amount was at that time in the form of gifts and official money transfers. Afterwards, the sum of the transfers fell to \$318 million in 1982 and increased rapidly in the following years to \$375 million, \$462 million, and \$764 million. In 1986, besides a profit margin of revenues from trade turnover in the amount of \$1,118 million, very high revenues from money transfers in the amount of \$944 million appeared. Therefore, they were equal to 84 percent of the commodity surplus. These transfers flow into the foreign-exchange accounts of the public as well as into Pewex and Motozbyt for goods purchased in them. It follows from this

that revenues from money transfers play a very important role in our balance of payments. However, it ought to be kept in mind that that which flows into the foreign-exchange accounts of the public raises the foreign-exchange debt of the PKO Bank and of other banks with respect to the public. This debt makes it necessary to pay interest in foreign-exchange. All in all, this is like an internal debt expressed in dollars which increases the overall sum of our obligations in foreign-exchange.

Secondly, it should be remembered that not all current revenues may be used for the repayment of interest. In accordance with conversion agreements and newly transacted credit agreements, we are already presently obligated to repay annually a certain percentage of our debt and for this we have to use the profit margin of current revenues now indicated according to our methodology. Besides this, from this profit margin, the possible credit accorded foreign buyers of our goods has to be covered.

If our current turnover in the foreign-exchange of capitalist countries has not been favorable in recent years, then three main reasons have contributed to this, namely:

1. We are still unable to manage an appropriate margin of export revenues over payments for imports, in other words, a proper positive balance in the trade balance. Such a positive balance appeared for the first time in many years in 1982 in the amount of \$358 million. Subsequently in the following years, it reached \$1,085 million, \$1,456 million, \$1,174 million, respectively, and \$1,118 million in 1986. A positive balance may be increased in two ways: either by increasing exports or by reducing imports.

The key issue is our inability to rapidly increase exports for free foreignexchange. It should be recalled that inn 1979, these revenues came to \$6,574 million and in 1980 to as much as \$7,965 million. Because of the economic crisis and later the drop in world prices, these revenues declined in 1982 to \$4,974 million. Later, in the following years they increased slowly to \$5,402 million, \$#5,828 million, \$5,768 million, respectively, and to \$6,226 million in 1986. This means that of late, revenues were still \$348 million lower than 8 years ago. Admittedly, GUS [Central Office of Statistics] claims that the volume of this export has been higher than at that time but from the point of view of the repayment of debts, only concrete foreign-exchange revenues count and not volume. All things aside, when we read about revenues in the currency of capitalist countries in our balance of payments, we must take into account the fact that in part they are made up of foreign-exchange earned in bilateral clearings which may only be used for imports in these clearings and, therefore, cannot be used for repayment or purchases elsewhere. The sum of such clearing-type revenues usually amounts to from \$400 million to \$500 million annually and the free foreign-exchange revenues are lower by that amount. Thus, the conclusion may be drawn that in our balance of payments, turnover in foreign-exchange should be represented separately from turnover in the nonexchangeable clearing-type currency of capitalist countries.

A question arises whether it would not be possible to reduce expenditures for imports. This is not an easy matter. During 1979 to 1980, imports reached \$8.7 billion annually owing to the implementation of huge credits.

The holding back of credit and the economic crisis resulted in that, in 1983 imports dropped to \$4.3 billion and subsequently rose to \$5.1 billion in 1986. Thus, they are still more than \$3 billion lower than at the end of the 1970's. To be sure, owing to good harvests it was possible to considerably lower the importing of grain. However, the supply of various materials, components and replacement parts for industry continues to be inadequate—something that may be observed at every turn. In this situation, the only and correct road to increasing surplus revenues in the trade balance is the rapid and significant increase of exports. Much effort is being exerted in this very direction.

- 2. In our turnover with capitalist countries, we are not making use whatsoever of the possibility of increasing revenues from services which, in any case, have been unremunerative in recent years. Transport and other services as well as tourism, which between 1981 and 1983 brought small surplus revenues in amounts of \$51 million, \$84 million, and \$32 million (respectively) annually, exhibited deficits between 1984 and 1986 in the amounts as follows: \$66 million, \$17 million, and \$80 million (respectively). It is amazing that our country, situated at the trade crossroads of north-south and east-west, cannot turn services into a constant source of growing free foreign-exchange revenues. It is only in turnover with socialist countries that services bring us considerable net revenues.
- 3. For several years, the interest rate on our borrowed credit remained at a very high level--something over which we had absolutely no influence but which caused a rise in the sum of interest due our creditors. It was not until 1985 and 1986 that a drop in interest rates occurred on international markets. is enough to recall that the most frequently used LIBOR base rate, i.e., the rate used by London banks in mutual lending, reached 16.5 percent in 1981. At that time, the interest due on our debts, which reached \$25.4 billion, came to \$3.2 billion. On the other hand, with the LIBOR rate of 8.5 percent in 1985, the interest on a larger debt, which at that time amounted to \$29.3 billion, came to only approximately \$2.5 billion. It is difficult to predict if and how much lower the market interest rate will fall. However, it is obvious that in the current state of our debt, the lowering of the rate by one percentage point signifies for us a savings of \$335 million annually in interest. Recently, proposals have been increasing worldwide that within the framework of the global solution of the foreign debt problem of countries that are heavily in debt, the lowering of the rate of interest on this debt should take place. However, it is not certain whether such a solution to this problem will come about and for the time being, unfortunately, interest has to be paid.

It follows from our speculations that in aiming for a total balancing of current turnover in the foreign-exchange of capitalist countries, we should do the following in the immediate future: increase exports rapidly, attain a

profit margin in service turnover, and maintain or even increase the high revenues from money transfers.

In speaking about the foreign debt, we usually concentrate on the debt in the form of foreign-exchange, forgetting that, after all, we are also running up a debt in transferable rubles primarily in the Soviet Union. During the last 7 years, this debt has risen from 1.4 billion rubles in 1980 to 6.5 billion rubles in 1986. This was associated mainly with the delayed increase in crude oil prices in proper relation to the price standards of CEMA. In view of the fact that after fully covering the interest due, services indicate constant profit margins in ruble turnover, the problem of overdue interest did not show up here at all. At the same time, there is a constant increase in revenues from exports, from a level of 5,726 million rubles in 1981 to 10,147 million rubles in 1986. Therefore, there are not currently and, undoubtedly, there will not be in the future any greater problems with paying off this debt.

On the other hand, the issue of repaying our debt in foreign-exchange will remain a problem for many years.

In order to repay the debt, it is necessary to remit every year to our creditors the annual principal installments. This can only be done when appropriate revenue surpluses in current turnover are obtained after paying off the interest. I am disregarding here the possibility of repaying the debts by reducing the foreign-currency reserves because in practice, our reserves are maintained only on a minimal level necessary for the regulation of current payments. Therefore, we should obtain constant revenue surpluses in current turnover for a number of years. A question arises: How large the surpluses and for how long a period? In the talks to date with our creditors both in the "Paris Club" and in talks with private banks, we have been successful in obtaining a deferment of the repayment for, at the most, 10.5 years, with a 5-year waiting period. However, this has turned out to be too little too late. We have been unable to increase revenues from exports to the required level and thus, we have been forced to turn to the creditors for the further deferment of the repayments. The situation will worsen even more beginning in 1990 when, after the elapse of the waiting period, deferred payments--considerably larger than presently--will begin accumulating. However, it should be remembered that the further deferment of payments will result in an increase in the amount of interest paid on the principal which has been used up a long time ago. Since 1981, we have already paid \$9.9 billion of such interest, not counting that which has been added to the principal. With the deferment of the repayment of the principal, for example, for another 15 to 20 years it will be necessary to pay much more at the current interest rate level and the overall sum of these repayments would exceed considerably the value of the entire amount of the capital borrowed some time ago.

Therefore, what should be done? Two major avenues present themselves.

First of all, the undertaking within the framework of the economic reform of great efforts aimed at increasing the efficient functioning of our economy. Very briefly put, what matters is that, with the existing amount of raw and others materials as well as manpower, more be produced and less expensively so that most of the obtained profit can be allocated for exports. Obviously, this would result in certain limitations placed upon the increase of the public's real income. However, the repayment of credit must be tied to some sort of sacrifice.

Secondly, efforts should be exerted to obtain new foreign credit with the aid of which it will be possible to change the structure of our economy in the direction of increasing its export power. Such specific possibilities are outlining themselves after Poland's entry into the International Monetary Fund and the World Bank. There are also certain possibilities of obtaining bilateral credit, partly within the framework of joint ventures. However, we should not delude ourselves. Potential creditors will, above all, look at the kind of pro-export endeavors we will assume ourselves and with what results.

It should be stressed that despite our payment difficulties, we have been taking advantage of certain new credits in recent years, primarily from private banks. In part this has represented the use of credit obtained in previous years. Between 1982 and 1986, we used a total of \$3.7 billion of such credit including \$0.9 billion of short-term credit. However, during the last 3 years, long- and short-term credit has brought in only about \$200 million to \$300 million annually. but since 1982, the repayment of the principal installments has amounted to \$3.3 billion. If we are to take into account that at the same time we paid \$7.6 billion in interest on the credit, then it will turn out that during a period of 5 years, net capital in the amount of \$7.2 billion has flowed out of Poland to our creditors, of which approximately \$1.9 billion was in 1986 alone. This attests to the great efforts exerted by our economy for only the partial repayment of our foreign debt. On this basis, it is understandable that the standard of living could rise only very slowly. It is also clear that in the future as well, it will not be possible to count on grater growth.

Up to now, we have occupied ourselves with the impact of the debt on the shape of Poland's balance of payments. In conclusion, let us give some thought to the impact of the incurring of debts and their repayment on our country's national income.

During the period that net foreign credit is used, goods and services come into the country that are over and above that which has been produced in the country. Because of this, the distributed national income may be greater than the produced national income. This makes it possible to increase consumption and investments beyond our own capacity. This is how it was in Poland between 1972 and 1981. In 1974 and 1975 in particular, the distributed gross national income was nearly 7 percent higher than the produced national income. Then in 1976, it was 5.7 percent higher and in 1977—4.5 percent higher. Between 1978 and 1981, it was on an average only 2.6 percent higher annually. This was the result of growing credit repayments.

At the time when the repayment of net foreign credit begins, i.e., when the sum of the repayment is higher than the inflow of new credit, the divided national income must be lower than the produced national income. This is how it is in Poland currently. In 1982, the distributed national income was 1.23 percent lower than the produced income, in 1983—1.50 percent lower, and in 1984—1.18 percent lower. In 1985, it was only 0.64 percent lower. However, it should be remembered that between 1982 and 1985, the use of credit in the Soviet Union compensated to a considerable extent for the outflow of capital due to the repayment of debts in foreign-exchange. The situation will worsen the moment that we begin to pay off the net debts also in transferable rules. It will be necessary at that time to obtain surplus revenues from current trade turnover with both payments areas and the burden of repaying the entire debt will increase for the national economy.

That is why there is no easy way out in sight from our debt. The way out will require large sacrifices on the part of the public in the form of a very slow rise in the standard of living, if not in its periodic standstill. We should not count on having our creditors cancel our debts. Perhaps they may lower the rate of interest paid by us but even in the case of some sort of global solution, we must be prepared that for political reasons we will be treated worse than the Third World nations that are very heavily in debt.

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PARTICIPATION AT UNCTAD CONFERENCE VIEWED

LD310941 Warsaw PAP in English 0010 GMT 31 Jul 87

[Article by PAP correspondent Edward Dylawerski]

[Text] Geneva, 30 Jul--The 7th UNCTAD conference which has been holding debates in Geneva for three weeks already nears end. The conference is also attended by a Polish delegation, presided over by Foreign Trade Minister Andrzej Wojcik, who told the PAP Geneva correspondent, in part:

The conference revealed discrepancies as to the possible ways of solving the problem of indebtedness. According to capitalist countries, UNCTAD is not a proper forum of seeking solutions for basic currency-financial problems of world economy. It turned out that the thesis of the Polish delegation that indebtedness is a world problem concerning all participants in international exchange enjoys an ever wider support.

The Polish delegation made a significant contribution to the proceedings of the 7th UNCTAD conference. Wojciech Jaruzelski's message to the UNCTAD was positively received by the conference. Poland was the coordinator of the group of socialist states. Also favorable was Poland's cooperation with leading states from the group of developing countries, namely, India, Venezuela, Algeria, and Argentina. Poland attached greatest significance to the resolution of the debt problem in its global terms, as well as in the development of international trade by broadening access to markets of capitalist states and counteracting protectionism. The 7th UNCTAD conference was a suitable forum for Poland to present its stand on solving problems of debt, struggle against protectionism, and cooperation with the developing countries.

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ROMANIA

BANK OFFICIAL URGES TIMELY COMPLETION OF INVESTMENT PROJECTS

Bucharest REVISTA ECONOMICA in Romanian No 28, 10 Jul 87 pp 5-6

[Article by Valer Ionita, director, Bucharest municipal branch, Investment Bank: "New Projects to be Activated on Schedule"]

[Text] Full attainment of the planned goals for this year and for the entire 5-year plan at a high level of quality depends to a significant extent on exemplary attainment of the objectives set in the sphere of investment, as regards both creation of new production capacities and modernization of the existing ones. The requirements set in this regard by our party and state leadership and personally by Comrade Nicolae Ceausescu increasingly commit all authorities involved in the investment process to ensure that new production capacities will be completed on time and that production in them will begin on schedule.

As was stressed at a recent meeting of the Executive Political Committee of the RCP Central Committee, in the sphere of investment it is necessary to speed up the work of construction and assembly of equipment still present in fairly large stocks at some construction sites, so as to ensure activation of the new facilities in the shortest time possible.

Important tasks are assigned in this context to designers, builders, suppliers of equipment, and the recipients of the production capacities to be activated this year in the city of Bucharest. As in previous years, a heavy investment volume is scheduled for the Capital this year; the investments represent a significant share of the volume approved for the economy as a whole this year. They include projects for activation of new production capacities, including those necessary for implementing the nuclear energy program, modernizing manufacturing technologies, intensifying the pace of work in construction of the new civic center, and completing the comprehensive project for training the rivers Dimbovita and Arges and development and expansion of public utilities, and for construction of new housing and social and cultural facilities. These projects all involve especially complex structural and technological solutions.

As a result of the sustained efforts of all the authorities involved in the investment process, important production capacities have been commissioned during the first half of 1987. They include 150 million lei per year of hydraulic equipment at the Steaua Rosie Enterprise, 100 million lei per year

of special pumps at the Aversa Pump Factory, 5,000 tons per year of special fittings at IREMOAS [Enterprise for Radiators, Metal Equipment, and Sanitary Articles and Fittings], 750 tons per year of diversified rolled goods of copper and brass at the Laromet Metallurgical Enterprise, 80 tons per year of cast pieces of special steel at IMGB [Bucharest Heavy Machinery Enterprise], 70 million lei per year of equipment for the nuclear power plants at IUAB, etc. This has made it possible for some enterprises (the 23 August, Metrou, IMGB, Vulcan, Semanatoarea, etc) to project even now that the investment plan for 1987 will be overfulfilled.

To be added to this are new public utilities and public use installations whose specific architectural features characterize the new future of Bucharest, the future esthetic outline of the country's Capital. construction projects have been completed this year alone. Along with the new structural solutions which have made them necessary, they perform multiple public utility and social functions relating to transportation, sewerage, Hence it may be said that over the period that has elapsed housing, etc. between the beginning of the year and the present, Lacul Morii [Mill Lake] (which has an area of 220 hectares in which around 220 million cubic meters of water can be accumulated) has been commissioned, together with the Ciurel Dam. In addition, 6 bridges have been built and opened to traffic on the Piata Unirii [Union Square]-Lacul Morii road section. The river bed has also been trained over this route, and work has been completed on the Piata Victoriei [Victoria Square] thoroughfare (an important traffic nexus on which two subway stations are situated), and the Piata Marasesti [Marasesti Square], Piata Unirii, and Piata Baneasa [Baneasa Square] thoroughfares. The picture of the extensive urban development projects, and accordingly investment activities, in the Capital is rounded out by the subway installations (the Piata Unirii II-Pipera section and the connection between main line I and the Gara de Nord [Rail Station North]). These projects, completed on time and strictly in accordance with the completion schedule, are to be connected to the urban network.

These results are the direct consequence of increase in the responsibility of the authorities involved in the investment process for better and timelier preparation of the conditions necessary for smooth implementation of the investment plan, that is, provision of technical and economic documentation for projects, commencement of investment projects on time, better organization of execution and adoption of new working technologies marked by higher efficiency, etc.

A number of deficiencies and failures have nevertheless persisted in the investment sector; they have had a negative impact on full plan implementation, especially during the first months of the year, with undesirable effects on attainment of economic objectives in other spheres of activity. Analyses have been performed which reveal that proper attention is not devoted in all cases to scientific substantiation of the efficiency of investment objectives, regular and timely completion of production facilities, and greater involvement of enterprise specialists, designers, and research workers, so that the results achieved with new investments will meet real needs of the national economy.

The economic consequence of failure to adhere to the approved project commissioning schedules, for example, has been failure to complete significant volumes of production in physical terms and commodity output and to realize the profit, and self-financing resources deriving from depreciation. As has been revealed by the inspections made, this has been due to insufficient effort on the part of customers and planners to make timely provision for high-quality technical and economic documentation and for free capital needed for new investments, delays in contract procurement of certain equipment, and sometimes unsuitable organization of construction activities at construction sites.

At the Semanatoarea Farm Machinery Enterprise, for example, the order memorandum and the finished design prepared by the planning organization, the Research and Technological Engineering Institute for the Heavy Equipment Industry, in its first version of November 1984 could not be forwarded for approval for a variety of reasons. The investment projects continue to be financed and carried out under exceptional conditions. A similar situation has been found in the case of one of the investments of the IMGB, in which the process of finalization of the entire technical and economic documentation and submission for approval has been dragging on for several years. made by the inspection division of the Investment Bank have also revealed substantial delays in completion of contracts for procurement of technological This situation has had a negative effect on adherence to the approved completion schedules. Inspections have also revealed such cases at the Vulcan, IMUAB [Bucharest Machine Tool and Assemblies Enterprise], Diesel Engine, Heavy Machinery, and other enterprises.

Mention should also be made of the fact that the process of starting up production of technological equipment, a decisive condition for commissioning new facilities on schedule, sometimes does not proceed in accordance with the provisions of the technical and economic documentation relating to activation deadlines. The planning-completion process sometimes lasts several years; this situation is also determined by the lack of cooperation between the authorities involved and by inadequate coordination of these activities by the industrial centrals.

Only by ensuring strict collaboration between the authorities involved in the process of carrying out investment projects will it be possible to prevent and eliminate deficiencies such as those detected at the Vulcan Cable and Electric Insulating Materials Enterprise, the Diesel Engine Enterprise, and the Microelectronica and Cinescoape enterprises, at which the activation of production capacities has been going on for a long time. At the same time, we are aware that thorough preparation of investment projects requires improvement in work and more expeditious handling also on the part of Investment Bank elements, and by implication and to a greater extent the inspection apparatus during the planning stage, to avoid the need for demanding supplementary data on the occasion of review or revision of documentation.

Considering these shortcomings and the need for completing new investment facilities on schedule, all the enterprises involved in this process have set up broad programs of measures setting forth specific deadlines and responsibilities, so that the activity will proceed smoothly, in accordance

with the provisions of the plan. To this end, particular attention will be paid to adherence to the chronological order of completion, in accordance with the schedules, in order to avoid certain situations which arose during the first half of the year, when human resources were allocated for execution of non-productive work, to the detriment of their concentration on delivery of production capacities.

In addition, specialists are directing their attention toward the most efficient possible provision of the necessary technical assistance by researchers, designers, and equipment suppliers, so as to ensure adherence to the planned technical and economic parameters, in accordance with the approved schedules. It is especially important for equipment suppliers to comply with contractual provisions relating to delivery of equipment and to rendering technical assistance during the warranty period. This will lead to elimination of the situation in which a significant volume of equipment is installed but not used, with a favorable economic and financial impact on the activities of the customer enterprises.

This unquestionably involves strengthening of contract discipline, that is, firm application of the provisions of law to economic contracts. Such application is an instrument of particular importance in ensuring fulfilment precisely of all the obligations assumed by all the parties involved in the complex investment process—customers, designers, builders, and suppliers of materials and equipment.

An important aspect of investment activities is represented by ongoing increase in efficiency by reducing the time required to complete new facilities, adherence to the consumption standards set for raw materials, intermediate products, and energy, and constant conservation of materials and energy through adoption of modern structural and technological solutions ensuring high labor productivity, model management of materials and equipment at construction sites, and institution of order and discipline in this important sector of activity. Of material importance for this purpose is the activity of the industrial centrals, which have the obligation as plan administrators of closely monitoring the progress of work at construction sites, by supervising supply of the technological equipment which determines delivery of facilities on schedule and thereby preventing the stockpiling of such equipment at other construction sites where for a variety of reasons delays have occurred in ensuring simultaneous assembly operations by builders.

More than 100 production facilities and buildings of great importance to the economy of the city of Bucharest and even to the country as a whole are to be commissioned during the second half of the year. Their incorporation in the economic cycle will determine both attainment of the economic and social development goals set for this year and suitable preparation of conditions for launching the 1988 plan. In this context, we believe it to be absolutely necessary for the collective management elements of the industrial centrals, customers, and research and development institutes to begin immediately, starting this month, to review the need for and the advisability of the investments scheduled for 1988, taking into account the existing potential of enterprises relating to use of fixed assets in service, available areas, and investment resources in general, reduction of material, fuel, and energy consumption, and establishment of the correct dimensions of storage spaces for

raw materials and finished products, in accordance with the approved standard stock levels and financial and efficiency standards.

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CSO: 27000255

CZECHOSLOVAKIA SOCIAL

JUVENILE DELINQUENCY IN BRATISLAVA SURVEYED

24000384b Bratislava VECERNIK in Slovak 1 Jul 87 p 3

[Excerpt] In 1984, 35 teenagers spent the night in Bratislava's detention chamber for drunks, in 1985 41, and in 1986 so far 46 under the age of 18-these facts may certainly suggest a lot but they do not say everything. Unfortunately, we well know from experience how often teenagers become "hung over" without it being recorded in official frightening statistics as warning figures. Nevertheless, the numbers which we used are alarming. Especially because a person under the influence of alcohol is more likely to do something which is against the law, something that goes beyond a mere adventure and because of this the young person may be stigmatized for life. And there are not a few such cases.

The official figures may be read in statistics which tell us that last year persons between 15 and 18 years of age committed 1,654 criminal offenses within Bratislava, the capital city of the SSR--criminal acts and misdemeanors which represent almost 19 percent of overall crime.

Of this 1,588 were in the area of common criminality, the majority being crimes against property. Of all break-ins in Bratislava, teenagers committed almost every other one and they committed 40 percent of so-called petty larcenies. Even worse is the fact that juveniles were credited with almost 55 percent of cases of thievery solved last year.

So that we may be even more specific, we must make it clear that of the total number of crimes committed by young people, teenagers of Gypsy origin, who make up less than 1 percent of our city's population, have racked up almost 28 percent of antisocial acts, a fact that is truly alarming. Experience also tells us that there is truth in the proverb handed down for years, "Spare the rod and spoil the child," because the first steps toward crime lead our youth to such a seemingly negligible concept as truancy. In fact, we have covered this topic more than once in the pages of our paper. Today we just want to emphasize that the situation is certainly not rosy because the central truancy register has no fewer than 750 cards on file with the names of pupils who prefer to be truants. Among these are also some who have more than 1,000 hours of unexcused absences in 1 school year.

We have also written that much has been done in this area thanks to the VB [Public Security] Motorized Emergency Unit of the Municipal Government which

patrols the city 24 hours a day and in recent years has also observed young people who roam the city during morning hours. They check them by chance on the streets but also by design at places where truants meet most often—like the Mlynska Niva bus station or at movie theaters with morning shows. In this way, last year alone they caught 1,300 students, most of whom were trainees from various training centers, made records of them and sent notices to their schools. It is interesting to note that replies were received in only 591 cases and the suspicion of truancy was confirmed in 36.5 percent of the cases. So we again maintain that some schools show too little interest in knowing where their students are at such times when they ought to be sitting at their desks or lying in bed because they are incapacitated.

However, it is hard to reproach teachers and educational employees at schools, training centers, and boarding schools when children have not learned responsibility and respect at home, from their own parents. No matter how you look at it and even if we contend that schools should have at least as much influence on their students as their parents do, still it is somewhat too big a task. If a parent is not able to keep an eye on his single offspring or perhaps two or three, it is even harder for the teacher to watch over dozens of pupils in one class. After all, we know very well that it should not escape the watchful eye of a parent when his child comes home of if he is perhaps under the influence of alcohol or some other harmful substance. And if that should perchance be the case, punishment should follow or other measures should be taken that would bring the child back from his wayward path. But in reality it is not that way at all. Unfortunately, parents re not equal to their responsibility toward their offspring and they compensate for the lack of time and training by their financial advantages, including excessively valuable gifts and covering up the children's shortcomings and mistakes. As proof of this claim is the fact that the above paragraphs apply more and more to young people from so-called good families. So, they are not those whose training was disrupted for certain reasons, for example, because one of the parents was serving time or they were living in a broken home.

8491/6662

CZECHOSLOVAKIA SOCIAL

DIRECTOR CALLS FOR TRUTH IN TV

24000385 Bratislava PRAVDA in Slovak 11 Jul 87 p 3

[Article by Jiri Adamec, director: "The Courage To March Toward Truth"]

[Text] The tasks assigned to program employees of Czechoslovak Television by the 17th CPCZ Congress are not only necessary but above all mandatory. These tasks specifically reflect the concrete goals that television faces. Television, as the basic instrument shaping the practical attitudes of today's generation toward everything that our society lives for, must meet these goals at all costs. Furthermore, they will surely grow and meeting them will become more and more demanding.

This is nothing new because our whole society stands at the threshold of a difficult road of which the basic milestone is the 27th Congress of the CPSU and the above-mentioned 17th CPCZ Congress.

The greatest demands must be placed on all of us so that all together we may win this great, historic race which we all set forth on after the February revolution. Great demands are being placed on us and we want to carry them out conscientiously.

In this connection a simplified comparison came to mind. Imagine, each one of you, that you are a top automobile racer and someone calls you and tells you that they have placed a great trust upon you. You will receive a Skoda car, a passport, per diem allowance sufficient for official travel to a capitalist country, a limited supply of gasoline and oil and a set of tires and told that you are to take part in races on a Formula One level. At that moment each one of you will feel shivers up your spine, because under these conditions it is impossible to win. Of course, it is tempting to prove your prowess in a world competition, but the fact remains that you hope the races are called off because of rain or some other natural catastrophe, because otherwise it would be revealed that you were lying when you promised to win the race. But the fact is that these races are already under way and at the same time we know desperately well that our opponent has well-prepared pit stops with all the services necessary to assure success. We also know that it is very difficult to beat him. But we want to beat him and, furthermore, we must do so. We are qualified to do it, it is our duty, no more, no less! So we must replace our car, procure service, gas, oil, tires, etc. But let us be done with automobiles, you get the point of my comparison. When I say that these races

are already under way I have in mind the continuing demonstrations by which we must irrefutably prove the appeal of socialism and prove that our truth is closer to the dignity of man, that the future indeed belongs to us. Up to now we have been convinced of this, we believed it beyond measure and, naturally, we continue to believe it. But we must add a great deal more. We must actualize our faith, we must prove it to everyone, to the whole world.

Everyone must begin with himself, in his own enterprise and also in his own country. He must not look furtively across the border but ask himself what we here at home are contributing, each one of us, to this historic contest; how much of the heroes of our history has survived in each of us, heroes without fear or blame who brought to our state symbol the motto "Truth will prevail"; how much of this truth has stayed with us and how much courage to pursue this truth and live by it. We must know how to ask ourselves this question, not only that, we must manage to tell ourselves the "gospel truth." But even that is not enough, we must all look together for a collective answer to the pressing questions of today. We have great problems with plays, problems of authors' backgrounds, antiquated regulations and standards, difficulties stemming particularly from bureaucratic management, especially in the area of production. We must pose and answer definitively the question of what is misleading producers, what leads them to opportunistic work with authors. Why do authors avoid burning issues, especially those of our times? How is it possible that we are so ripe for persuasion that all it takes is to work into a conventional story some kind of rendezvous, a pseudo-quarrel which does not settle anything and so does not offend anyone, and then conclude with an expedient happy ending as an emotional appeal acting as a catharsis and so all is well with our drama?

After all, our times are so dramatic and so full of dramatic conflicts. We must answer the question why, in spite of obvious technical developments, less and less time is devoted to high quality creative work of authors, why directors slip into mere mechanical routines and give up on really creative work, why actors fly from one sharp deal to another? What has happened that work outside the theater is even called by that terrible word "merchandizing?"

After all, what we are doing, everything together, in whatever artistic field, must serve our joint efforts, our common struggle. It is the daily battle for the minds of the people, the consciousness of our viewers. After all, we must convince our viewers through our work that his hopes, the hopes of his particular life, will not be disappointed. I know that this is not and will The viewer is what he is. He lives in a certain country, has not be easy. certain ideas and certain specific experiences, he lives his daily life, has his dreams about ideals, beauty, and contentment. Obviously, it is useless to talk to him about anything beyond the purview of his hopes. Experience tells us mercilessly that if anyone of us, or almost anyone, not to generalize, wants to buy a topnotch product for daily use, he does not look for goods of domestic production but definitely for goods from the TUZEX Corporation. The worst thing is that this fact applies not only to goods of daily consumption but the same situation applies to culture. The proof is in the sale of books by Western authors in spite of the barrier caused by controlled editions,

attendance at movies while small audiences ignore outstanding works of Soviet film makers, just as statistical indicators rate the successes of imported TV programs. These are facts that must not leave us indifferent. How can we prevent this, how can we change the course of this stream? No miracles or pious wishes can help us. Only much greater excellence of our own productions will help. But not only in single works but as a mighty stream, in the high quality of our everyday work.

In recent years a stately building has risen on the Kavcie hills where our Central Television Studio is located. But when you need a stamp you still must go all through Prague to Zahradne mesto where the giant tower is. originally meant for housing, full of television administration offices. I do not want to argue about the necessity of this, I am not qualified for that, but when employees from work places located much farther away need approval for projection, then they in turn have to go to the Kavcie hills. But that is the least of it, that is only personal time lost that need not count, just like not counting time meant for a break and renewing one's energies after some hard work, is spent standing in line at stores, offices, and institutions. The conditions for actual work are becoming more and more difficult. The most basic problem is the shortage of expensive, chiefly hard currency equipment, cameras, recorders, cutting rooms, film raw materials, not enough assistant personnel and technicians, who are leaving television for better paying jobs in production, a shortage of make-up artists, requisition people, and costumers whose professional qualification sin many cases are low because in many of these professions television does not offer even average national monthly earnings, and then there is the shortage of cars, gasoline, etc.

Life must be depicted not only convincingly but also colorfully, we must go where life actually took place or is going on. We must tell our stories in an interesting way, because we must win not only the viewer's mind but also especially his heart. If our job is to make man better in all aspects of his relations to himself and to society, then above all we must tell him the truth. And here we cannot talk in false surroundings, in the wings, like in TV's beginnings. And so we can only gaze enviously at the technically perfect performance of TV reporters where the essential requirement for perfect execution is fully met. But the dramatic arts in TV stand, after all, on the level required for political information of reporting, thanks to which TV brings whole hours of truthful information about the real world and this is what it must offer at all costs in its dramatic productions. Any kind of falsification in contact with viewers is hopelessly lost and so often our work becomes mere dust and ashes.

8491/6662

POLL GAUGES ATTITUDES TOWARDS SUCCESS

[26000743b Warsaw ZYCIE WARSZAWY in Polish 24 Jul 87 p 6

[Article by B.Dr.: "The Results of a CBOS Study: What Do We Think of Success?"]

[Text] What does it mean when we say that someone is doing well? How does one reach prosperity? How do we relate to people who are successful?

The Main Center for Public Opinion Research [CBOS] took a poll among a representative group of the adult population to find an answer to these questions.

More than 54 percent of the respondents measured success solely on material aspects such as assets, earnings and level of consumption. A little more than 10 percent measured success solely on non-material aspects such as a happy personal and family life, health and work satisfaction. Some 32 percent felt that both of these conditions were important for success.

When asked to identify the manner by which one attains success under the present conditions in Poland, some 34 percent of the respondents indicated quick wits, initiative, the ability to attend to one's personal interests, and adaptation to circumstances. Next with 24 percent was diligence, followed by cunningness and speculation, 22 percent; luck, 11 percent; thriftiness, 11 percent; an affluent family, 10 percent; and chance and contacts, 7 percent.

The respondents were also asked what kind of people were the best-off in Poland. The most frequent reply was the owners of a manufacturing or service enterprise, 40 percent; followed by people holding high positions, 23 percent; and schemers and speculators, 21 percent. Only 7 percent of those polled mentioned hard-working people.

In order to examine the relationship of Poles to wealthy individuals, CBOS included a question used in polls taken by the international agency Gallup. The following designations were used to express the relationship of the respondents to the wealthy: I admire them, I respect them, I like them, I am indifferent to them, I do not like them, I envy them, they make me angry.

As many as 60 percent of the respondents indicated indifference to the wealthy while 3 to 10 percent indicated sympathy and admiration and 4 to 6 percent dislike, envy and vexation. Aversion to the wealthy was most evident among unskilled workers. Farmers and the intelligentsia indicated approval.

Besides questions dealing with success in general, the CBOS poll also attempted to identify concrete ways to attain material success under our present conditions. Some 64 percent of the respondents placed work abroad in first place followed by ownership of a private enterprise, family living abroad, and involvement in illegal trade. Further down in the list was hard work, resourcefulness, initiative, honest work inside the country, and education.

In analyzing the results of the poll, sociologists from CBOS point to the alarmingly low position non-material aspects have in measuring success. "It is perhaps a symptom of a reevaluation brought on as a result of the economic crisis and drop in the material level of life." They stress that both the view of the means to attaining success and the relationship to wealthy individuals are shaped by the knowledge of social realities and personal experiences. These conclusions are neither optimistic nor reassuring.

13090/9190

POLAND

POLLS REVEAL PUBLIC'S HOPES AND EXPECTATIONS

Warsaw TRYBUNA LUDU in Polish 30 Jul 87 p 4

[26000743a Article by Piotr Rzadca: "What do Poles expect, hope for?"]

[Text] The answer to this question is simply for things to get better. This is a legitimate answer but one which holds little substance. In order to get a more precise explanation we must refer to public opinion polls taken of our countrymen.

For many years the main source of such information, though seldom disseminated publically, was the Polish Radio and Television Public Opinion Research Center. We have also been able to refer to—for either greater understanding or comparison—analyses taken by the Main Center for Public Opinion Research [CBOS]. These two well-known centers, even though they record individual and subjective views of their respondents, provide, through their representative selection process, unbiased information expressing the views of a large community.

This is how Malgorzata Czarzasty (in CBOS Bulletin no. 1/8 1987) summarizes a study conducted over a period of many years which guages the response to the question: What is most important for Poland and Poles? The author grouped the answers into 11 categories, arranging them in the order in which they received the most to the least number of votes.

We are told that currently the most important thing is in maintaining peace in the country. The respondents thought this to be the most important condition for solving other problems. Other hopes and expectations express the respondents' views on what should be improved, changed and achieved. They are therefore criticisms and demands. The list of responses in order of their popularity is as follows: market supply, economic stabilization, improved living conditions, work discipline, wage system, change in administration, problems in construction (of housing), the relationship between the authorities and the public, the international situation—peace, and price stabilization.

Perhaps each one of us would arrange this list differently but certainly we would keep it complete.

The broader motivating factors inherent in the responses are of some interest. The author of the article mentions concrete, particular views. I have included two of them. Those sympathetic to the political system believe that "the most important thing for Poland is to preserve the principles of socialism from their foundation and to finally bring about a full realization of the tasks layed out at the 10th Congress." Other viewpoints are characterized by the following response: "Creating a political system which would further the progress of civilization and economics, one which would place Poland on the same level as the most developed countries."

What else characterizes these hopes, expectations and views? I will mention the remarks of Romuald Holly and Artur Sliwinski which appeared in the same CBOS bulletin. They ascertained, among other things, that "criteria used in evaluating political and economic realities have recently changed. Opinions which are a form of demonstrating one's ideological and political convictions, in other words, generalizing and contrasting—black and white, are beginning to replace problem estimations. The existing scarcities should for example bring into question the intentions and aims of social and economic decisions taken by the government while criticisms and doubts should primarily focus on their practical realization. Disapproval of programmatic intentions and plans as a rule is marginal but scepticism towards the possibility or results of their realization is becoming more and more evident."

Many of us became skeptical and this fact created more energetic discussion of the second stage of the economic reform in order that it be quickly introduced.

Since we are weighing the hopes and expectations of Poles, it would be worthwhile to familiarize ourselves with a study conducted by the Polish Radio and Television Public Opinion Research Center in connection with the pope's visit to Poland. Scientists from this center asked their respondents immediately at the end of the visit what they felt would result from it.

The replies were similar in character to the hopes and expectations I noted at the beginning of this article. And again, by arranging them in order of their popularity, the following table of expectations was compiled.

The most popular response was that "people's spirits will be raised," followed by "the Church's position in Poland will be strengthened," followed next by "an improvement in church-state relations," "Poland's prestige will rise in the international arena," and "agreement among Poles on various issues will increase."

The least popular responses, because less than 50 percent of the respondents answered in this manner, were: "people will be more understanding and tolerant of one another," "Poles will work harder and better," "Poland will receive economic assistance from the west," "active and stronger opposition in Poland will follow" and "alcoholism will decline."

How can we explain this difference of opinion between the expectation of positive results stemming from the pope's visit within the spiritual sphere and church-state relations and the numerous expressions of doubt as to the effects of this visit towards public attitudes (such as toleration, better work performance, and decrease in alcoholism)?

An explanation of this was found in an interview conducted by Boguslaw Czarminski from Polish TV with the Reverend Prof Wladyslaw Piwowarski, head of the Sociology and Religion Department of Catholic University in Lublin ("Social Thought," no. 30). The reverend Prof stated, among other things, that: "Poland has a rather large group of traditional Catholics who are basically inconsistent. If there are complaints on the lack of social morality then it concerns this group in particular. For Catholics who are traditionalist and inconsistent, religion is rather a cultural and not a personal quality. A third group is the selective Catholics, that is, those who consciously ignore certain values, moral norms and dogmas. I am convinced based on a number of studies that it embraces 50 percent of our society."

I would like to add to these very interesting estimations still other views which will help understand the discrepancies in the beliefs of our citizens.

In the already mentioned CBOS bulletin, Piotr Kwiatkowski and Eugeniusz Smilowski describe the results of a study conducted in October 1985. They conducted a survey among candidates for Sejm deputy of whom half were later elected to this position. The candidates were asked, among other things, to point out the virtues and vices in our society. I will cite six such qualities which in the opinion of the future Sejm deputies received a relatively large number of votes.

We will begin with the virtues, that is: the ability to mobilize during difficult times, patriotism (generosity, devotion to the fatherland), diligence, solidity in work, resourcefulness, initiative, political realism, discretion, peace, and common sense.

What were considered social vices?

Laziness, unreliability at work, lack of social discipline, egoism, pursuing one's personal interests, alcoholism and other forms of pathology, short-lived enthusiasm, lack of tenacity, low political culture, and lack of realism.

The belief that all hopes and expectations demand a certain degree of individual activity in order that they come about is a truism, especially if they concern matters which are not solved individually but through a combined effort. And therefore public activity should express itself through the combined will of the collective. The road towards changing "raised spirits" to an effective fight against pathology and "an understanding among Poles on various issues" to increased social discipline is a difficult and complicated one. It is also true that rulers and the ruled are very strongly dependent on one another. The search to find the

most effective methods of administration, rationalization in employment, greater influence on the environment and the country through the development of various democratic forms can meet with either strong support or with indifference. One's hopes and expectations will not come about by themselves.

The opinions, surveys and studies we have just mentioned reveal the complexity of our views, often expressing a conflict between expectations and inclinations, declarations and actions. However, they also provide a certain degree of optimism. Since expectations are clearly explicit, and if combined with the virtues of society which were sighted by candidates for Sejm deputy, we would certainly have a better chance at realizing the more reasonable hopes and expectations of our countrymen.

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