

286113

JPRS 84096

11 August 1983

# East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2434

DISTRIBUTION STATEMENT A

Approved for public release,  
Distribution Unlimited

19980612 119

DTIC QUALITY INSPECTED 2

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA 22161

6  
102  
AΦ6

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 84096

11 August 1983

# East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2434

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

11 August 1983

# EAST EUROPE REPORT

## ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2434

### CONTENTS

#### INTERNATIONAL AFFAIRS

- CEMA--Developing Countries' Economic Cooperation Examined  
(Bela Kadar; FIGYELO, No 26, 30 Jun 83) ..... 1

#### CZECHOSLOVAKIA

- Gas Pipeline Compressor Station Control Systems Described  
(Jan Havelka, Evo Janousek; PLYN, No 12, 1982) ..... 5

#### GERMAN DEMOCRATIC REPUBLIC

- More Productive Use of Work Time Urged  
(Heinz Weisse; PRESSE-INFORMATIONEN, No 63, 2 Jun 83) .. 22

#### HUNGARY

- PRAVDA on Hungarian Consumer Goods Issues  
(V. Gerasimov; PRAVDA, 20 Jul 83) ..... 24

- Balance of Payments, Economic Growth Discussed  
(Lajos Gubcsi; KOZGAZDASAGI SZEMLE, No 6, Jun 83) ..... 27

- Development of Small Business Described  
(Karoly Ban; MAGYAR HIRLAP, 6 Jul 83) ..... 35

#### POLAND

- Briefs  
Post-Overhaul Output at 'Katowice' ..... 38

#### YUGOSLAVIA

- Finance Secretary Discusses Foreign Payments  
(BORBA, 25 Jul 83) ..... 39

Srzentic on Economic Stabilization (BORBA, 20 Jul 83) .....	41
Cadre Policy Blamed for Poor Use of Manpower (Grozdana Mance; DANAS, 7 Jun 83) .....	43
Preference for Foreign Exchange Savings Examined (Zivko Gruden; VJESNIK, 20 Jul 83) .....	49
Illegalities in Wheat Purchasing Discussed (DANAS, 14 Jun 83) .....	51
Kraigher SAWPY Federal Conference Report (TANJUG Domestic Service, 23 Jul 83) .....	55
SAWPY Conference Standpoints (TANJUG Domestic Service, 24 Jul 83) .....	73
TANJUG Reports Distribution of Surplus Budget Funds (TANJUG Domestic Service, 28 Jul 83) .....	84
Official Cites Unemployment, Lack of Medicine (TANJUG Domestic Service, 28 Jul 83) .....	85
SFRY To Receive Commodity Credits From West (TANJUG, 27 Jul 83) .....	88
Banks Holding Foreign Loans (D. Gorsek; BORBA, 26 Jul 83) .....	90
BORBA Lists Bosnia-Hercegovina Foreign Debt (M. Caric; POLITIKA, 20 Jul 83) .....	91
BORBA List Foreign Debts by Republics, Provinces (BORBA, 18 Jul 83) .....	93
Briefs	
Oil Production	96
Coal Production	96
Oil From Soviet Union	96
Import-Export Figures	96
Deficit Halved	97
Kosovo Losses Reach Billions Dinars	97
Vojvodina Oil Production Plans	97

CEMA--DEVELOPING COUNTRIES' ECONOMIC COOPERATION EXAMINED

Budapest FIGYELO in Hungarian No 26, 30 Jun 83 p 9

[Article by Bela Kadar: "The Short-Range Conditions for Cooperation: CEMA--Developing Nations"]

[Text] The dynamics, structure and forms of the economic cooperation among CEMA and developing nations are basically motivated by a mutual intent to improve the long-range processes and interest relations, above all the positions in the international relations, and also to exploit the advantages of a more intensive cooperation. Naturally, the greater sensitivity to short-range processes, the more intensive fluctuations of the economic or political sector represented additional problems of cooperation for the countries leaning on the guidance mechanisms of intermediate and long-range planning.

Limits

The experiences with cooperation with the developing nations, over the past quarter of a century, indicate that, on the one hand, the relative stability of the economic policy of the developing countries represented a very important driving force in the selection of partners. On the other hand, the economic-political, organizational and personal consequences derived from an absence of such stability, from rapid changes in the economic situation, provided limits in the cooperation. A global economic situation in which the short-range sensitivity of developing nations is increased, by itself has an unfavorable influence on such connections.

However, during the early 1980's, it was the first time in the course of their econo-historical development that the CEMA nations encountered the problems of an economically determinant fluctuation, the short-range pile-up of worsening conditions, loss of income, etc.

In the CEMA nations, the constraints associated with the maintenance of a restrictive economic policy will hardly be relaxed during the first half of the 1980s. With respect to long-range economic development, the 1983-85 period is of decisive importance insofar as the success of the short-range elimination of internal and external imbalances, and

the lowering of debts made possible by the establishment of rational proportions between production and domestic consumption, may provide the roundation to expand the economic-political space for action, and to revitalize import and economic growth in the second half of the 1980s.

Lowered investments and domestic consumption, the requirements associated with improving the budgetary and financial balance, can limit the expansion of connections in several ways:

--the trends affecting changes in the buying power of consumers can limit, above all, the purchase of tropical consumer goods, which are quite considerable in terms of CEMA import, and, to a lesser extent, the purchase of industrial consumer goods;

--the increasing cost-sensitivity of the economy in general lowers the import of non-essential goods and of goods less satisfactory from the standpoint of the level of technical-quality demand;

--general limits of commercial and payment balance will slow the advancement of cooperation with those developing nations where only a fraction of the import by the CEMA nations can be balanced by their export to the developing nation;

--the problems derived from the scarcity of financial resources available to the economy do not make it easier for CEMA-export to expand the type of cooperation which has a large measure of one-sided aid elements or which require long-range financing.

#### Interests

These more important short-range limits can be ameliorated parallel with the improvement of the economic situation of the CEMA nations. At the same time, in addition to increasing the short-range tensions, the new type of requirements will widen the range of interests in furthering relations also in the short range.

The regional limits on obtaining goods, related to various causes and appearing in the cooperative ventures of CEMA nations, can undoubtedly be moderated by the acceptance and execution of intermediate and long-range programs. Purchase of the raw materials and semi-processed goods needed for the continuous functioning of certain CEMA nations is expected, even on the short range, to make it even more necessary than before that purchases in developing nations be expanded.

To improve the commercial and payment imbalances which developed vis-a-vis the OECD [Organization for Economic Cooperation and Development] it could be expedient to regroup certain earlier purchases in such developing countries where the relationship is less affected by balance pressures.

The economic requirements associated with improved effectiveness are also inspiring the enterprises of CEMA nations toward cooperation with developing countries with respect to export because the structural, technical and guidance-system harmony of supply and demand, the exploitation of potential, comparative advantages in the training and cost levels of the work force of the CEMA nations--at least on the short-range--can be achieved with somewhat less difficulty than in other sectors of our trade.

The balance of the contradictory, relationship-limiting and expanding factors, appearing in the new global and national economic situations, is not unfavorable. Even during the last few years there was a significant increase in the proportion of developing countries in the foreign trade of CEMA nations and this trend will foreseeably be maintained also on the short-range term. But the extent of expanding relationships--in the group of both CEMA and developing nations--is not independent of the ability to adapt to changes since, already on the short range, it is accompanied by a significant reorganization of the respective and specialized centers of gravity, conditions and forms of the cooperation.

#### Flexibility

The short-range handling of the problems of the cooperation between CEMA and developing nations also calls attention to the importance of theoretical, econo-political and guidance-system flexibility. The flexibility of cooperation among countries in which, as a result of factors related to developmental history or the level of development, the goods and monetary conditions prevail in a more limited sphere of activity, by necessity and on the short range, can be achieved at the level of macroeconomic guidance. The increased engagement in international division of labor and the increased sensitivity toward short-range processes, both in the CEMA and in many developing countries, necessitates a more extensive use of objective economic regularities, goods and monetary conditions in the economic processes.

But the scientific theories of national economics and sociology cannot disregard the historical experience that purposeful ratios and forms of economic regulatory division of labor between the various systems of macroeconomic guidance, on the one hand, and the goods and financing conditions, on the other hand, both in the socialist and developing nations, differ from the economic theory and practice developed on the basis of historical experiences with the type of growth in Northern and Western Europe.

In the interest of a better scientific foundation for the cooperation with developing nations in the future, the national economic theory of Central and Eastern European nations must pay more attention to the evaluation of phenomena derived from the changed growth conditions and from the manifold paths of development. This concerns the econo-political



treatment of short-range tensions appearing alongside the limited sphere of authority of market mechanisms, and an identification with the common points of interest, and suitable regulatory and organizational forms of cooperation among economies of different guidance systems, structures and levels of development, and balancing the short-range expenditures and long-range advantages of building such relationship.

The problems of today's international relationships indicate that the national economic, bilateral or regional-level regulatory attempts, even on the short range, cannot do without the restructuring and advancement of the mechanisms of international cooperation. The current global and structural imbalance requires the construction of a comprehensive system of cooperation, over and above the spheres of customs and trade policy, and also encompassing development and production policies. In the absence of this, an increase in protectionist and bilateralist phenomena, and a lowered effectiveness of world economic growth can hardly be avoided. Economic theory can continue to aid significantly in the guidance of economic growth through the provision of a scientific basis for harmonization within the framework of international cooperation, the relations between East and West, West and South, and East and South; and through the elaboration of the system of conditions, the means, the organizational structures, the principles of execution, and the safety valves of comprehensive cooperation.

2473

CSO: 2500/339

GAS PIPELINE COMPRESSOR STATION CONTROL SYSTEMS DESCRIBED

Prague PLYN in Czech No 12, 1982 pp 346-352

[Article by Eng Jan Havelka, CKD Shipping Plant, and Eng Ivo Janousek, CKD Semiconductors: "Control System for Compressor Stations of the Transit Gas Pipeline"]

[Text] This article offers information about the systemic solution of a control system for compressor stations of the transit gas pipeline with the use of the PPC-4 polyprocessor, a product of CKD Semiconductors, as its central control unit. It specifies the composition of the used technology, the structure of the computer system and its tasks in control and monitoring of operations.

One of the potential significant applications of control computers is in control of compressor stations of transit gas pipelines. This possibility is given not only by the complexity of the control system, but also by the multiple potential implementations.

Construction of the southern and eastern branch of a gas pipeline containing eight computer-controlled compressor stations is currently underway in the CSSR. Overhaul of the existing branch and construction of a new gas pipeline will form in Czechoslovakia a system for transportation of natural gas which from the viewpoint of volume of the transported gas will be one of the largest in the world. The general contractor for supplying the compressor stations of the transit gas pipeline slated for transporting natural gas across CSSR territory is the CKD [Ceskomoravska Kolben Danek] concern enterprise.

The basis of the control system is constituted by the PPC-4 polyprocessor produced by the CKD Semiconductors plant. This plant also developed all system programs and compiled some user programs. The implementation project of the control system and a major part of user programs was worked out in the CKD Shipping Plant Prague.

## Specification of Technology and Control Tasks

Basic components of the technology of a compressor station are systems for transportation of gas, each consisting of a blower powered by two-stage combustion turbine with a total output of 6 MW [megawatts] (large stations of the gas pipeline Trazit II have six, small stations three such systems). The control system provides for automatic startup and shutdown of these systems, in the case of small stations even their optimum operation (it determines the number of operating systems and their revolutions). Other technological systems controlled and monitored by the computer are:

- 22 kV [kilovolt] distribution station, 400 V, 50 Hz [Hertz] distribution station;
- substitute source of electric energy (combustion turbine with a generator delivering an output of 1.5 MW);
- ventilation for the substitute source housing;
- compressed air station (compressor for generating operational compressed air);
- cooler of the transported gas;
- heat exchangers at each assembly with an output of 6 MW;
- hot-water circulation system facilitating utilization of waste heat;
- spherical valves for station input to include assemblies for decompression of the station;
- values for counterpumping control;
- filters for cleaning the transported gas.

In the case of large stations, their control system also provides for interlinkage of their equipment with that of existing substations controlled by conventional technology. The extent of technology control can also be characterized by the number of inputs and outputs. In the case of a small station, the control computer operates with approximately 1,500 logic inputs and outputs, 300 analog inputs and 2 frequency outputs, a large station has roughly 2,500 logic and 600 analog inputs and outputs.

As part of designing the control system, there was worked out a project of configuration and connection of the control system, control algorithms and the relevant control programs along with devising the manner and form for two-way communication between the operator and the system. In the final configuration of the control system, it was proposed to control a small compressor station by 1 PPC-4 computer and to control a large station by 2 computers of this type.

On the basis of system analysis and solution of technical conditions for introduction of the control computer there was proposed the following extent of compressor station control by computer:

--basic logic control: the object was divided into seven technological centers capable of providing for autonomous basic operation of the station. The tasks of logic control are provided by algorithms of automatic startup, automated and emergency shutdown and operational monitoring of machinery and the substitute source of energy, basic logic control of the regulating station, coolers, the set of controlled valves and internal equipment of the station;

--acquisition of analog data and monitoring of irregular states: these tasks are periodically verifying all data important to the station's operation (the temperature at key points of the system, temperature of gas and of combustion products, the pressure and volume of gas, revolutions of low and high-pressure parts of turbines, etc.). These data serve as input values for algorithms for monitoring the thermal gradient of the turbine during startup, calculation of antipumping safety measures, monitoring the effectiveness of machinery and monitoring irregular states of technological equipment;

--antipumping regulation: the active member of this direct digital regulator is a hydraulically operated valve which is to prevent unstable states in the station, operating with two-stage compression during imbalanced operation of the gas pipeline in the vicinity of the compressor station (gas pressure in the pipeline is  $6 \div 7$  MPa);

--tasks for system communication with the operator: the main operator of a compressor station monitors its automated operation on a twin-screen television terminal with random selection of specialized projection of technological and operational images supplied by the computer as required by the operator. This information is supplemented by protocols and reports put out by a mosaic printer located at the terminal;

--task "post mortem": the control system records the selected combination of physical quantities in the last minutes of the station's operation, so that in case of breakdown of a part of the system it can compile a report about the final period of the system's operation and carry out an analysis of the disturbance;

--comprehensive automation of a station: it includes optimization of the station's operation, provides for balanced cooperation of the operated systems to achieve the basic performance features of stations in relation to the pipeline.

The alphanumeric keyboard of the terminal facilitates control of operations in the following modes:

--fully automated; the operator merely feeds in the pressure required at station output according to the request of the central control station (in the future this input will be received by the computer at the station by means of a telemetric transmission system) and the computer selects by itself the requisite number of assemblies and their revolutions;

--automated; the operator himself selects the number of machines which he can automatically start up or shut down by a single order from the keyboard; control and regulatory functions progress in a fully automated mode;

--manual; the operator can start up individual assemblies stepwise, or manually control individual action components (slides, spherical valves, auxiliary drives, flap valves, etc.).

A reserve system is provided for the case of central computer breakdown, or for startup and other extraordinary operation. This control system is designed as a distributed network of logic processors which provides the major part of logic functions, just as does the main system. In view of the fact that it is not equipped for direct processing of analog inputs, it is supplemented by several conventional instruments for monitoring of limits (Zeparis). The reserve system was set up so that in case of central unit PPC-4 computer breakdown it takes over the basic control and safety functions of the entire station without interruption of operation. Transition back to central automated control is also possible during full operation of the station without any interruption.

#### Technical Equipment of the Control System

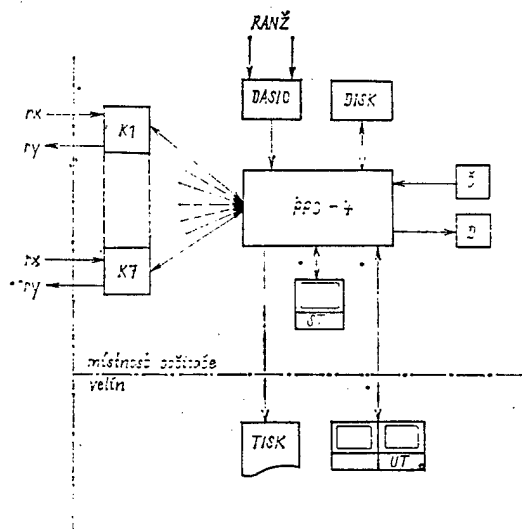


Fig. 1. Control system configurations

Figure 1 caption:

PPC-4 -- control terminal readout PPC-4; DISK -- system of BASF floppy disc memory units; DASIO -- analog data collection device; RANZ -- interface panel for analog inputs, K1 to K7 -- storage of logical cassettes, rx, ry -- interface panel for logical input and outputs, ST -- alphanumerical system terminal, UT -- dual usage alphanumerical terminal

The technical equipment of the control system (for a small compressor station) includes (Fig. 1):

- PPC-4 polyprocessor containing a 16-bit central processor, a screen processor, input/output processor, operational memory with a 32 k word capacity;
- external memory box containing four units of floppy BASF disks;
- unit DASIO for acquisition of analog data (Metra plant in Blansko) making it possible to connect up to 512 analog inputs;
- three terminals with one screen;
- two keyboard terminals;
- seven stations for logic control (each with 256 binary inputs and outputs) with local logic processors;
- printer (Consul 2111 or DZM);
- perforated tape reader and puncher;
- requisite interconnecting distributors for analog inputs and outputs.

The PPC-4 polyprocessor (Polyprocessor Controller) is a control computer designed primarily for control of rapid processes in real time. Several specialized processors share a common monolithic operational memory which is allocated to them by an automated unit. This system is an original modification of systems in which several processors of the same type work independently and share a common memory. It includes operational memory, a central processor and processors specialized for handling a delineated class of problems: BPU bit processor, input/output processor, screen processor.

The control system for reserve control is represented by stations for logic control which include input and output converters for 256 binary inputs and outputs. These 7 stations (designed for logic control of 7 technological centers of the station) have a capacity for 1,792 binary inputs and outputs. In case of central-control-system breakdown these stations are capable of autonomous operation in a minimum logic control mode.

#### Control System Software

The software of the control system for compressor stations of the transit gas pipeline consists of two basic parts:

--system-oriented, i.e., means for program preparation, its implementation and guidance of the control system (including also diagnostic programs);

--user-oriented, i.e., a system of programs for control of partial technological units (predominantly tasks of the logic type, but included are also tasks for processing of analog input data, technological regulation tasks and an information system).

From the viewpoint of application and utilization of software in relation of the computer system to the technology of the compressor stations we differentiate between the following modes:

--off-line, i.e., when processing of programs progresses outside control in real time;

--on-line, i.e., when technology is controlled in real time.

To reduce the demand on the capacity of computer memory and with a view to the exclusionary process control in on-line mode and preparation of programs in off-line mode it was decided to come up with two modifications of the REX (real time executive) operational system. The REX-PD operational system facilitates preparation of programs to include initiation of the control system, the REX-PC operational system provides control system functions for controlling of a given process. It was compiled and gradually tuned by means of the REX-PD system.

The structure of the REX-PD control system for off-line modes to include peripheral system  $P_i$  and program tasks  $T_i$  are shown in Figure 2. Partial blocks have the following functions:

--EXECUTIVE carries out the basic operations of the system, controls program tasks and operations I/O and contains systemic tables for these operations;

--I/O is a module providing for all communication with peripheral systems and working closely with EXECUTIVE (requirements for transmission between peripheral systems and program tasks are transmitted via EXECUTIVE);

--MCR facilitates contact between operator and the operational system, transforms MCR instructions for EXECUTIVE, provides imaging of the system's state, control of program task and I/O operations and indication of disturbances;

--FILE MANAGER provides for operations with sets on disk units with which it communicates by means of the I/O module. It facilitates inclusion, opening, closing, elimination, reading and entry into sets in record or block mode.

In summary it can be said that the core of the program system is formed by EXECUTIVE which provides for the basic functions of the operational system, its follow-up is the I/O system, i.e., system for communication with peripheral systems, FILE MANAGER, which facilitates operation with sets and, finally, MCR which serves for communication with the operator.

The REX-PD system uses a systemic peripheral equipment four units of flexible disks and in standard arrangement it can also use alphanumeric terminals, a perforated tape reader and both a mosaic and a line printer. It can be used for preparation, runing and execution of individual program tasks, or their arrangement, but without connection to technological peripheral equipment.

The following systemic programs are operated in the REX-PD system:

--TEXT EDITOR for preparation and correction of source programs;

--RELATIVE ASSEMBLER for translation of source programs into object modules;

--LINKER (LINKAGE EDITOR) for arranging object modules into programs in binary confiruration;

✓ --DEBUG, i.e., runing program;

--FILE, i.e., program for working with sets on disks.

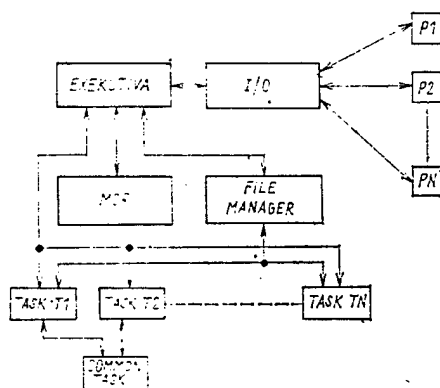


Fig. 2. REX-PD operating system structure for off-line use



Generation of user programs can also be done by a tape-oriented system which includes the POPSYST single-program operational system oriented to perforated tape. It provides for basic functions of the computer, namely handling of programs in absolute configuration, i.e., storing, punching, copying and execution, manipulation with cells of the central and logic processor, Boolean internal variables and cells of the read-only memory as well as CPU registers. It further provides for computation of the octal difference of two addresses. The program works with numbers in the OCTAL, DECIMAL and standardized SCALED FRACTION system depending on the type of instruction. The type of numbers is valid for both input and output in both polarities for the entire instruction up to LINE FEED.

The following systemic programs operate in the POPYST system:

--RAS is a twin-pass translator from the source language of symbolic addresses of the PPC-4 computer into the object format of the program module;

--TEDA (text editor) provides for all handling of source programs in ASCII code, i.e., generation, storage, erasure and correction of input source programs;

--ODA is a tuning program for user programs in binary configuration. It allows monitoring of both the data part (intermediate results, inputs, outputs, etc.) as well as the control part.

Planning of the control system for compressor stations required cooperation with many specialists from the area of gasworks technology who could not be expected to have detailed knowledge of programming in the assembler of the PPC-4 computer. For that reason, two additional specialized-program company systems were developed to facilitate planning of the key part of tasks.

The elements of the GRAL program system are constituted by a translator, the GRAL language and a control program for BPU. The GRAL translator generates modules of programs for the bit processor to include coupling to the central processor. The program modules are executed by the bit processor which communicates as an intelligent peripheral system with CPU by means of a standard control program. The language makes it possible for the planners to formulate control tasks in the form of oriented graphs whose centers are control states and whose edges determine the logic conditions for transfer of control between the designated states. To control states can be declared logic tasks expressed in the form of a system of Boolean algebra equations, and algorithms--tasks activated by the operational system of the computer during transition of control into the given state.

Elements of the INTERAKT system consist of the INTERAKT programming language, a translator and an executor. The translator generates a program-invariable code which is interpreted in real time by the excutor. Program

modules are real processes of the types MON and CON. MON processes provide an image of data fields and texts on screens, CON processes facilitate insertion and making of changes in data fields and texts. Thus, the INTERAKT system serves for generation of planned technological and operational images to inform the operator of the operation of the controlled system. It is again supplemented by a service program which provides for regular regeneration of the contents of selected images and simple means enable the operator to control the image, i.e., change the values and features appearing in the image.

The contents of on-line software are integrated with the REX-PC operational system. As stated above, modification of REX-PC does not allow preparation of user programs. It is expanded by programming means facilitating communication with technological peripheral systems to include the bit processor. These form a modular part of the entire system, but are adapted for use in real time, i.e., greatest emphasis is on minimum response time.

The REX-PC system includes:

1. EXECUTIVE REX-PC standard modules (containing submodules for handling the interruption system, time elements, interrupting timing program, etc.) and I/O control programs (terminals, keyboards, bit processor, printer, flexible disks, incremental peripheral systems);
2. nonstandard modules, i.e., user tasks of the control system (data processing, tasks of regulation and information systems). The MRC module is replaced by a program task for communication with the operator.

Description of the user software would be so extensive as to transcend the possibilities and scope of this article. Let us mention only that mathematical processing of data by computer for the needs of the control and information system begins as early as the input data stage, namely by filtration (by a digital single capacity filter), linerization (recomputation of relative data to absolute) and subsequent processing by control algorithms. A major part of the system is of the logic type, i.e., in mathematical form it is expressed in the form of Boolean algebra equations (with taking into account the conditions for startup to include blocking, the conditions of equipment operation and stopping), several control tasks realize the function of a discrete regulator.

Control algorithms are either conventional PID regulators (antipumping control, oil-temperature control), or in the form of two-state regulators with pulse-width modulation (control of water temperature in the exchanger and cooler, gas temperature control). For example, the antipumping control of the PID type is solved in accordance with the algorithm

$$e_2(n) = k_0 e_1(n) + k_1 e(n-1) + k_2 e_1(n-2) + e_2(n-1), \quad (1)$$

where  $\ell_2$  is the value of the action factor (in percent),  
 $e_1$  is the deviation,

which originated by adaptation of the algorithm for the conventional PID regulator:

$$e_2(n) = -r_0 \left[ e_1(n) + \frac{1}{T_i} \sum_k e_1(k) \Delta t + T_d \frac{e_1(n) - e_1(n-1)}{\Delta t} \right], \quad (2)$$

where

$$r_{-1} = \frac{r_0}{T_i}, \quad (3)$$

$$r_1 = r_0 T_d, \quad (4)$$

so that

$$k_0 = -r_0 \left( 1 + \frac{\Delta t}{T_i} + \frac{T_d}{\Delta t} \right), \quad (5)$$

$$k_1 = r_0 \left( 1 + 2 \frac{T_d}{\Delta t} \right), \quad (6)$$

$$k_2 = -r_0 \frac{T_d}{\Delta t}. \quad (7)$$

Balance computations of technical systems indicators are also performed for the needs of the information system and derivation of partial startup signals, e.g.,

--computation of the temperature coefficients of the turbine surface according to algorithm

$$k = \frac{T_x - T_0}{T_3 - T_0}, \quad (8)$$

where  $T_x$  is local surface temperature,  
 $T_3$  is temperature ahead of the turbine,  
 $T_0$  is ambient turbine temperature (housing);

--computation of turbine output according to the relation for reduced temperature  $T_3$ , namely

$$t_3 = \frac{T_3}{T_0} \cdot 280, \quad (9)$$

where  $t_3$  is temperature ahead of the VTT (in Kelvin degrees)  
 $T_0$  is external temperature.

The computed value is compared on a curve with the determined temperature and in this manner is monitored exceeding of the 7.2 MW output;

--computation of the gradient of revolutions for load control, relief, turbine revolutions control, roll-out from critical revolutions;

--computation of the station's pressure difference (difference between input and output pressures), monitoring the limit of 0.3 MPa and, thus, allowing the opening of the spherical valve;

--computation of the gradient of combustion products' temperature;

--computation of the output-pressure gradient;

--computation of the gas-temperature gradient;

--computation of the thermal output of the exchanger (as a multiple of flow-through and difference of water temperature ahead of and behind the exchanger);

--computation of the turbosystem compression (as a ratio of pressure ahead of and behind the turbosystem).

#### Information System

Information about the state of the station's technology is obtained by the operator from the control system:

--on television monitors of alphanumeric terminals (the so-called monitoring process) by projection of images;

--by printout of the shift report through the printer;

--by post-mortem recording on disks of the computer's external disk memory.

The monitoring process makes it possible to select more than 100 images showing the technological process or the state of individual parts of the control system. These images can be divided into several categories:

1. Basic images present an outline of the overall state of the compressor station's technology, or the state of the control system. These include particularly:

--the basic operational report which is the most important image; in addition to time and date it contains the basic data for all systems for gas transport, for heat exchangers and the station's supply by electric power. In addition it contains summary reports of disturbances for individual functional units of the technology (Figure 3);

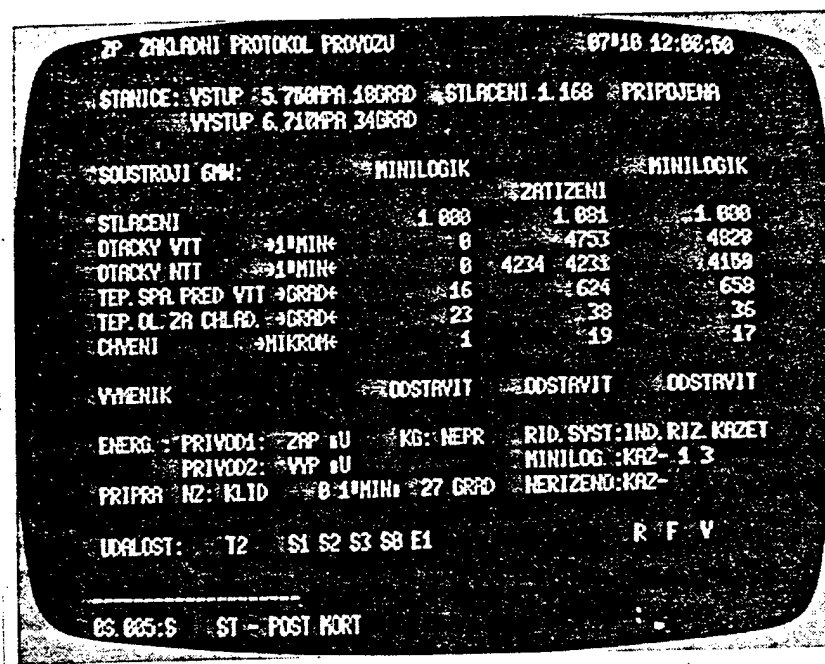


Figure 3. Basic Operational Report

Screen transcript:

ZP BASIC OPERATIONAL REPORT

STATION: INPUT ...  
OUTPUT ...

COMPRESSION ...

CONNECTED

SYSTEM...:

MINILOGIC

LOAD

MINILOGIC

COMPRESSION

VTT REVOLUTIONS

NTT REVOLUTIONS

TEMPERATURE OF COMBUSTION PRODUCTS AHEAD OF VTT

OIL TEMPERATURE BEYOND COOLER

VIBRATIONS

EXCHANGER

SHUT DOWN

SHUT DOWN

SHUT DOWN

ENERGY: INPUT 1:

KG: IRREGULAR

CONTROL SYSTEM:

INDIV. CASSETTE  
CONTROL

INPUT 2:

MINILOG: CASSETTE ...

PREPARATION NZ: REST

...

NOT CONTROLLED: CASSETTE

OCCURRENCE: ...

...

STATE - POST MORTEM

...

--technological diagram of the compressor station depicting the state of all spherical valves and the state of individual turbosystems (Figure 4);

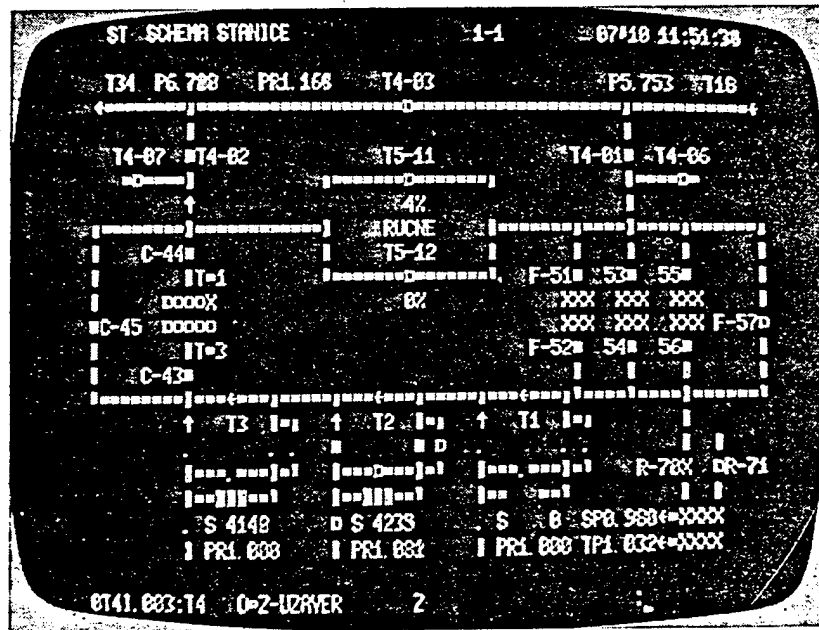


Figure 4. Technological Diagram of the Compressor Station

Key: SCHEMA STANICE = STATION DIAGRAM  
 RUCNE = MANUALLY  
 UZAVR = (GATE) CLOSURE

--image of the library of images;

--images of the state of individual cassettes, of the control system, or of the individual program modules.

2. Technological Images: States of the technology specifying the state of individual active members and the values of key analog or logic inputs of a given functional unit appear in the form of technological diagrams of individual functional units on 15 images. Values from the process, similarly to all the other images, are updated within 2 seconds;

3. Process Images describe for the gas transport system with an output of 6 MW and for the substitute source of electric power the individual steps of the startup algorithm which facilitate assessment of the cause of faulty startup, or substitute measures allowing successful completion of the system startup (Figure 5);

4. Design Layout Images describe for individual functional units the state of all logic inputs and outputs as well as analog inputs. They present an integral outline regarding all inputs and outputs to include their numerical designation corresponding to designation of the technology in the designs of all suppliers of the individual parts of the technology. They serve primarily for control of inputs and outputs during startup for operation, during checking of technological systems, etc..

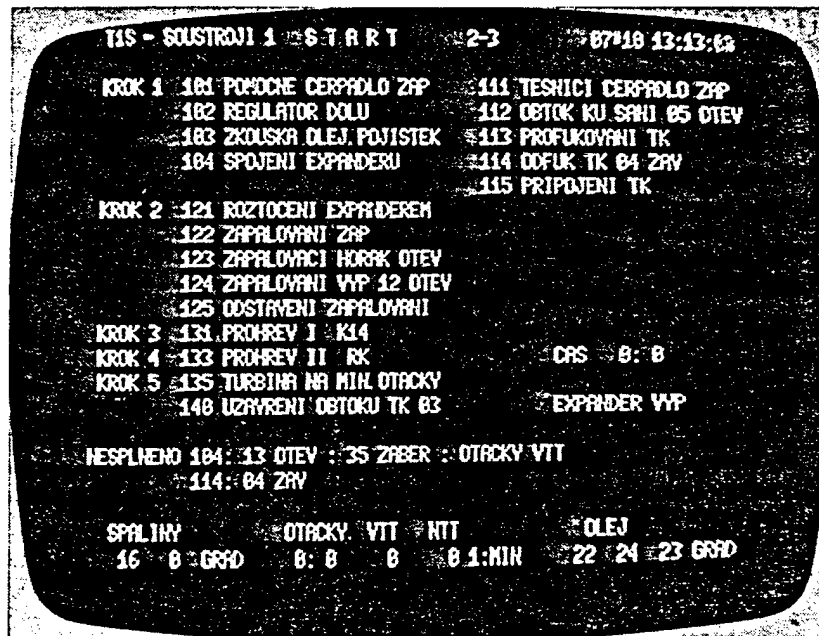


Figure 5. Process Image

TLS - SYSTEM 1 ...

STEP 1	101 AUXILIARY PUMP ON	111 SEALING PUMP ON
	102 REGULATOR DOWN	112 BYPASS TO ... .. OPEN
	103 OIL FUSE COUTOUT TEST	113 BLOW THROUGH ..
	104 EXPANDER CONNECTION	114 VENTING .. .. CLOSED
		115 CONNECTION ..

STEP 2 121 START-UP BY EXPANDER  
 122 IGNITION ON  
 123 IGNITION BURNER OPEN  
 124 IGNITION SWITCH .. OPEN  
 125 IGNITION SHUTDOWN

STEP 3 131 WARMING THROUGH ..

STEP 4 133 WARMING THROUGH ...

STEP 5 135 TURBINE AT MINIMUM REVOLUTIONS  
 148 CLOSING OF BYPASS ... EXPANDER OUT

INCOMPLETE 184: 13 OPEN : 35 ENGAGED : REVOLUTIONS VTT  
 114: 64 CLOSED

COMBUSTION PRODUCTS                      REVOLUTIONS VTT              NTT              OIL

...

5. Warning Signalization Images: If they appear in the "basic operational report," i.e., a comprehensive warning for a certain functional unit, the operator selects the corresponding warning signalization image of that functional unit. These images then list the actual cause of warning signalization and herein is also provided a mechanism for confirming acceptance of the given warning by the operator at the same time the printer provides a printout of the warning into the shift report).

6. Emergency Measures Images: Just as was the case in warning signalization images, each functional unit also has an image of emergency measures, whereby differentiation is made not only between which protective measure responded, but when more of them responded, which was the first to respond.

The shift report is automatically printed out by the mosaic printer. This report contains:

--a heading which contains important data at the beginning of the shift, state of the control system, eventually defects on the system's sensors;

--data regarding the values of technological factors which must be recorded in the course of operation (replacement of conventional recording instruments);

--data regarding warning signalization with time specification;

--data regarding breakdowns with time specification;

--record of any manually induced operations by the operator through the keyboard (i.e., affecting the technological process) with exact time designation.

The post-mortem printout is a well-proven form for documenting the causes of breakdowns of expensive and complicated systems, a form which finds wide application abroad. In our case it involves primarily the systems for gas transport with a 6 MW output for which this form of recording was selected. A total of 320 analog signals and alteration series of 128 logic signals are recorded at regular intervals onto the disk of the computer's external memory. During normal operation of the system, the oldest data are constantly replaced by new data so that in case of a breakdown, when after response by one of the protective measures the system is switched off, erasure of the data is stopped, data collected during running down of the system is supplemented and the disk would provide a final block of data providing information of input values from 4 minutes prior to till 4 minutes after the breakdown from values taken at 3-second intervals. The disk containing these data can then be stored, printed out on the printer, or used in subsequent program modification. When the cause of the breakdown is obvious, the disk can be used for further recording of data into the post-mortem report.



## Incorporation of the Control System into the System of Compressor Stations

In the preceding analysis, we pointed out the control system's hardware and software. However, successful implementation of the project called for solving the technical conditions for application of the control system, particularly the size and layout of the room housing the computer, its location in relation to the technological object, airconditioning, maximum admissible dust concentration, the type of power supply for the computer (requirements on voltage and frequency), interference, limitation of the static charge of the floor, admissible vibrations and oscillation, noise, etc. We shall not go into a detailed description of the solution, but for illustration we provide a view of the control panel with the PPC 4 computer (Fig. 6).



Figure 6. View of a User's Terminal

In addition to the technical conditions, we also attempted to deal with social conditions as they directly concern personnel working at the compressor stations, either by controlling operations by computer or as technical maintenance personnel for this system. Experience shows that it is not advisable to introduce human decisionmaking into the closed control loop of a computer. Successful computer application calls for providing an incentive for the operators to keep the computer operating without it or peripheral equipment breaking down, using it for control of the technological process, compliance with technological regulations and correct and expedient reaction to the computer's needs.

For that reason training of personnel maintaining the control systems, shift foremen and station shift foremen forms an integral part of supplying the control system.

## Outlook for Further Development of Control Systems for Compressor Stations

Conclusion of international agreements regarding expanded supplies of natural gas from the USSR to EEC countries, connected also with laying of a new gas pipeline, calls for planning and providing of innovative changes not only in machinery, but also in control technology.

The envisioned concept of innovation is based on putting to use all the positive experience gained in application of the PPC-4 system for control of the existing compressor stations of the transit gas pipeline. This involves particularly the principle of control at two levels (thus, in the existing control system the modes of "minimum logic" and "central" control)-- the principle of using a new concept of control, leading to savings of control elements, panels and cables, and the principle of a comfortable information system making use of television screens and report compilation by printers. The planned innovations will put these principles on a qualitatively higher level.

The proposed innovation has the following key features:

1. Innovation of elements used in individual parts of the control system and innovation of standard peripheral systems will be at the anticipated level of the years 1985 through 1990.
2. A new concept will be worked out for the lower control level, so that MINILOGIC (which to date provides merely functions of minimum logic control) will be replaced by a new functional unit based on a micro-processor. This functional unit (which, the same as MINILOGIC, will represent one electronic cassette with its own processor and memory) will provide, in addition to all the functions of logic control, also acquisition, recording, analysis and processing of analog, selsyn, frequency or digital inputs for generation of analog or frequency control outputs (i.e., regulation tasks) and protective functions.
3. Modification of the entire concept of station control and, at the same time, of the hardware for the second control level, will create conditions conducive to gradual transition to remote control from an unmanned control center (two such hierarchically higher control centers, to include maintenance, are preliminarily envisioned for the entire fourth line).
4. Concurrently, new systemic software for processing of user programs, oriented particularly toward innovation of problem-oriented programming languages and systems will be developed.

8204

CSO: 2400/316

MORE PRODUCTIVE USE OF WORK TIME URGED

East Berlin PRESSE-INFORMATIONEN in German No 63, 2 Jun 83 p 6

[Article by Heinz Weisse, department head, State Secretariat for Labor and Wages: "Greater Increase in Performance Through Full Utilization of Work Time"]

[Text] The strength of our national economy is largely determined by the degree of success achieved in making the work as a whole more useful and more effective. The joint directive of the Politburo of the Central Committee of the SED, of the GDR Council of Ministers and of the Federal Directorate of the Free German Labor Union Federation for preparing the national economy plan for 1984 is oriented in this connection toward working together with the workers in developing, discussing and determining specific measures to utilize work time fully, to increase labor discipline and to diminish waiting time and downtime.

Millions of man-hours are lost annually for various reasons. Important are many factors of the most varied nature, such as the temporary disability of workers, interference with the flow of production, the violation of labor discipline or the handling of personal affairs during work time. Many collectives and management committees have already recognized the need to extensively reduce these losses of work time and have taken the appropriate measures. Every day it is verified in practice that every hour of work time that is used or better used contributes to an increase in labor productivity and to a more rapid growth in production with no additional investment.

Most of the controllable downtime involves release from work because of temporary disability. It is therefore extremely important to regularly analyze the trend in the level of illness and accidents. After all, that is in the interest of every worker. That is one of the permanent tasks of the state managers, of union management and of the public health facilities. In this regard, the corresponding tasks and duties are stipulated in the labor statutes book. Those are preventive measures and the way to help provide a healthy life style is to create safe and comfortable working conditions, which also promote health and efficiency. Also involved is determining and eliminating causes of illness and accidents, as well as guaranteeing effective medical treatment and care.

Doubtless there is still much that can be done in this area. That is clear from the great differences that exist between comparable industrial groups, enterprises and territories. These differences can be overcome through the exchange of experiences and the rapid application of the experiences of the best.

In numerous industrial groups and enterprises, there are no more losses of working hours because of waiting time and downtime. Intelligent management, a well-conceived work organization, anticipatory reaction to possible problems, regular preventive maintenance of production facilities and a continuous supply of materials made possible the elimination of important causes of waiting time and downtime. Such a mode of operation, for example, is being practiced in the "Albert Funk" state enterprise group for mining and metallurgy in Freiberg. That pays off. These experiences and results should be an element in every performance comparison between the enterprises, with the goal of adopting the methods of the best for one's own work.

The work of every individual is vital in increasing the productive capacity of the GDR. Everyone can help in his work collective and at his work place to open up all opportunities for the required growth of economic output. That also involves making full use of work time every day and every hour with high labor discipline and reacting to every breach of discipline with the cooperation of the collective. It must be a matter of honor for every worker not to waste a minute of productive time.

The efforts of the enterprises to make full use of work time should be supported even more effectively by local organizations than has been the case so far. In all territories, the prerequisites are to be created that will contribute to substantially limiting or completely eliminating work time losses. For example, it often happens that workers are released from work for hours because they do not have sufficient opportunity to take care of necessary personal affairs during the nonworking hours. Many local people's assemblies are working together with the service sector and social forces, making great efforts to see that citizens can take advantage of repair and other services during the evenings and on Saturdays as well.

Where it is possible to involve every work collective and every worker in the effort to achieve full use of work time, there is hardly an hour that is still wasted. Thus it will also become known that higher quality and efficiency in the society's work is decisive in the successful continuation of our economic and social policies.

9746

CSO: 2300/298

PRAVDA ON HUNGARIAN CONSUMER GOODS ISSUES

PM271040 Moscow PRAVDA in Russian 20 Jul 83 First Edition p 4

[Dispatch by own correspondent V. Gerasimov: "The Purchaser Benefits" under the rubric "Experience--Common Property"]

[Text] Budapest--It happens at times that goods vanish from the counters, become scarce, and are then sold...under the counter. The Hungarian trade is applying various methods to cure this vice, the drive entitled "We the Purchasers," for example, has become widely known in the country. It is conducted by the Hungarian Ministry of Internal Trade and its purpose is to encourage enterprises to increase the output of consumer products that are in great demand.

The background to this initiative is as follows: A clients council was set up under the ministry in 1979. Council Chairman Jozsef Komlosi considers that, thanks to this, it became possible to strengthen the contractual ties between trade and industry so as to ensure the production of goods that are in short supply. The council gathers information on products that are in particularly great demand or in short supply, forecasts the needs for such products for several years ahead, and informs a wide range of enterprises of the results. The council conducts the necessary consultations, publishes information bulletins, and coordinates the activity of industrial and trade enterprises. During the year the clients council organizes exhibitions on the theme "We the Purchasers" which have come to typify the entire initiative. Over the past few years there have been 11 national exhibitions, 5 specialized exhibitions, and 4 exhibitions for cooperative and small-scale industry and for craftsmen and artisans.

The trade associations exhibit goods that are in demand. It is as if these samples speak from the store window: this is what the purchaser likes, this is what is fashionable, this is what meets the high requirements; if you, the producers, take care of making it, we, the consumers, will help you.

Prior to each such exhibition the clients council draws up a list of scarce goods, spare parts, and components. The lists are handed on to the representatives of industry. Negotiations are conducted right there, at the exhibition. They serve to clarify what materials and equipment are needed to manufacture a given product, what will be the presumed profit margin in

production, and the wholesale and retail prices if necessary, the trade organization can help the plant, factory, or cooperative to obtain a credit from the bank to launch the production of scarce goods. Furthermore, and in the interests of manufacturing the goods necessary for the people, the bank can grant loans on preferential terms. But even the department stores and trade associations themselves, which are interested in being supplied with scarce goods, can allocate to industry certain amounts from their development funds. When the client guarantees sales and agrees to receive under the contract, over a year or several years, a certain "list of products, the agreement become advantageous for both sides."

The work of the trade network in organizing the production of scarce goods is an important task. The greater the material interest of industrial and trade enterprises in providing better supplies for the consumer, the more successfully this task is solved.

The trade organizations have been given the right to engage in production activity. The country's largest department store (Korvin), for example, has its own tailoring shops. They are interested in manufacturing overcoats, dresses, suits, and children's clothes in keeping with the latest fashion. Thanks to these shops, the department store can expand the range of goods more quickly and make greater profits than if it traded only in products from light industry in factories.

This production activity gives (Korvin) an additional opportunity to influence the quality of goods received directly from the suppliers. It exacts penalties for nonfulfillment of contractual obligations or refuse to accept a consignment of goods if it was delivered late or has been overtaken by fashion. And since the wages of workers in trade depend on bonuses, on plan fulfillment, and on profits, the salespersons are now more interested in selling quickly, rather than holding goods under the counter, thus increasing the enterprise's turnover.

In the past few years the exhibitions have been showing certain samples of goods which are, for the time being, imported from capitalist countries. The substitution of home-produced goods for imports is one of the important results of the series of "We the Purchasers" exhibitions. Last year, for example, industry put into production 33 different household products and domestic appliances which were previously obtained abroad for foreign currency.

"The coordinated organization of orders at 'We the Purchasers' exhibitions has made it possible to ensure the production of 1.2 billion forints' worth of scarce goods," Hungarian Internal Trade Minister Zoltan Juhar declared. "Most of them were previously imported. We would like to expand the exchange of consumer goods with partners in the CEMA member countries and involve their enterprises too in the production of goods we need."

These words were spoken by the minister at the opening of the latest "We the Purchasers" exhibition in Budapest's Ahouse of Technology. This time

the exhibition was organized by the largest Hungarian enterprises trading in manufactured goods. Invitations to participants in the negotiations were sent to 2,000 plants, factories, and cooperatives and to trade and industrial specialists from 10 socialist countries. "We are Your Import and Export Partners!" This slogan was written in Russian on a banner above the House of Technology entrance. The foreign guests at the exhibition were shown also the goods which Hungarian enterprises are prepared to supply in exchange for goods that are scarce in Hungary.

"We are calculating on promoting the international socialist division of labor in the manufacture of mass consumer goods within the CEMA framework," said Tibor (Karachoni), general director of the (Ravil) Association for trade in electrical and radio products, when explaining the importance of the new initiative. This trade organization was given the honor of being the "leading" association at the exhibition. Its specialists prepared catalogues and drew up range requirements in Russian for internal trade and border region goods exchanges, conducted talks on direct exchanges of consumer goods with trade organizations in the fraternal countries, and found new partners in industry.

At the Hungarocoop Association, which exhibited for the first time this year the goods made by the country's consumer and industrial cooperatives, Soviet Section Chief Marta Tamassy told me that last year alone their direct exchange of goods with their Soviet partners within the framework of the so-called "internal trade range" amounted to R23 million. The Hungarian-Soviet trade turnover was supplemented by Soviet refrigerators, vacuum cleaners, bicycles, radio goods, clocks and watches, and canned fish, while tailoring industry products, footwear, leather goods, luminaries, furniture, and wine were shipped to the USSR.

Soviet household goods are sold at the department stores of the (Shkala-Koop) Cooperative Association. (Sandor Demyan), general director of this trade association, considers that there are opportunities to expand the direct exchange of goods between enterprises in the fraternal countries and to supplement stocks of goods by direct contacts of this kind.

At present the (Shkala-Koop) department stores would like to receive more products of the USSR's electronic industry--portable color television sets, video recorders, video cassettes, microcalculators, electronic watches, and electronic games. These deliveries could help reduce sharply Hungary's imports of such items from the capitalist countries. In exchange, the association could ship products needed by the Soviet consumer. All this, of course, should be done under the supervision of appropriate departments in both countries.

Hungary's internal trade specialists see the direct cooperation between trade organizations and industrial ministries of the fraternal countries as a supplementary source for satisfying the working people's requirements.

CSO: 1825/67

BALANCE OF PAYMENTS, ECONOMIC GROWTH DISCUSSED

Budapest KOZGAZDASAGI SZEMLE in Hungarian No 6, Jun 83 pp 641-647

[Article by Lajos Gubcsi: "Balance of Payments--Economic Growth"]

[Text] In Hungary today, he who says economic growth also says balance of payments. The external economic balance has unequivocal priority, however unpleasant some of the side effects of this may be. We can no longer decide otherwise--even if we wanted to--than to put the external balance in first place among our goals, because in practice there is no other way to finance the deficit. In the present credit policy situation we probably could not significantly increase the debt even if Hungarian economic policy wanted to do so. And the external conditions for improving the balance are no better than they were in 1981, although we believed then that the nadir had been reached.<sup>1</sup>

Experiences from the Practice of the 1970's

Six or seven years ago it was still the reigning concept that accelerating economic growth or at least holding the rate of growth at a high level was the best--if not the only suitable--way to work off the effects of the terms of trade deficit and bring the foreign trade balance into equilibrium. But the facts showed that increasing indebtedness attached to the relatively swift growth between 1974 and 1978, while the radically declining rate of growth between 1979 and 1982 was accompanied by a spectacular improvement in the trade balance and a slowing in the process of indebtedness hardly hoped for earlier.

It is not yet unambiguous, however, why the economic policy concept of restoring the external balance with swift economic growth failed. We might believe with reason that it would be easier to carve out the part necessary for an improvement in the balance from a larger or more swiftly growing national income than from a smaller or stagnating national income. Looking back at this period on the basis of our present experiences one can draw the conclusion that the concept based on swift growth did not reckon adequately with the market problem. Production was regarded as primary, presuming that if we produced an adequate volume of goods then placing them, selling them, would succeed--at prices making possible the attainment of acceptable economy.



Thus, in this concept, it would be possible to put an end to the foreign trade deficit and the consequences of the deterioration in the terms of trade with more work and more diligent work, with a larger volume of production. That the extra production or a significant part of it would be exported was to be ensured by making export institutionally more profitable than domestic sales. This was served by the practice of rate of exchange policy, by a substantially smaller revaluation of the forint in relation to convertible foreign exchange as compared to the extent to which the rise in the domestic price level lagged behind world market inflation. This constant undervaluation of the forint was increased further by encouraging export with other tools and by the fact that we devoted large sums to import supports for the purpose of holding back domestic inflation.

Because of the undervalued rate of exchange some of the exporters were able to hold their place rather easily in the price competition raging on the export markets, and this had a significant part in the terms of trade deficit suffered in these years. Another group of exporters, however, could not sell their goods on the external market even under these circumstances.

Thus we can designate as the cause of the large and increasing deficit the fact that, among other things, the world market--in contrast to the domestic economy--proved to be a market in a far-reaching way. It was not enough to produce an extra commodity base; the world market either did not buy the extra production or it did so with price conditions uneconomical for us. And the extra production--following the logic of things--forced an increase in internal use. In most years investments far exceeded the planned level and when--in 1978--we began to follow a really strict investment policy the stockpiles increased by leaps and bounds.

So the practice of the years between 1974 and 1978 provides a threefold lesson:

1. In the changed global economic situation we finally had to dispense with that production concept which did not start from market needs and market demand.
2. The lasting and significant undervaluation of the forint, the lax rate of exchange policy, did not prove an effective tool for improving the external balance; we could not in this way prompt world market demand to accept the Hungarian economic plans starting from production.
3. Thus the economic balance interdependencies forced the well-known limiting and restraining measures at the weakest point of resistance, to the burden of internal use. This also proved the thesis, self-evident ex post facto, of the so-called absorption school of balance of payment theories that the foreign trade balance is always identical to the difference between national income produced and used.<sup>2</sup>

According to the believers in the absorption school it is uncertain whether devaluation helps produce equilibrium in the balance of payments since changing the rate of exchange itself produces changes in prices and incomes which frustrate the effect expected from the change in the rate of exchange. So a different cure must be found to eliminate problems in the balance of payments; in the case of a deficit one must reduce the absorption (that is, consumption and

accumulation) or increase the incomes (that is, production). We should add that it is a weakness of the absorption trend that when weighing the effects to be expected from a change in the rate of exchange it forgets that absorption--or more precisely, the decision of economic subjects about absorption--also depend on changes in the rate of exchange.

### The Role of External and Internal Flexibility

It is especially instructive to return to the second experience mentioned above, that the undervaluation of the forint is not an effective tool for improving the external balance. From the viewpoint of the situation of our balance of payments it is of crucial significance, on the one hand, how flexible the demand of foreign markets is toward domestic products and, on the other hand, how flexible the domestic economy is in satisfying foreign market needs and finding substitutes for imports. What sort of price flexibility do our export and import have?<sup>3</sup>

The so-called elasticity school dealing with price flexibility distinguishes between the so-called competitive commodities (tradable, which enter international trade only potentially) and non-competitive commodities (non-tradable). In connection with the former--that is, essentially in connection with export and import products--it asserts that the prices of these change more slowly than those of the latter (that is, the price of services of a non-material character, or wages, interest, profit, the price of land, etc). World market conditions also influence the prices or price changes for the former commodities--generally in a more moderate, more balanced direction--while the price of goods not entering international trade depend exclusively on domestic supply and demand, which can be influenced in a far-reaching way by--restrictive or expansive--money policy.

For example, in the case of a deflationary policy the price of goods not entering international trade decreases more quickly than the average. A moderation in the price of production factors has the effect of reducing consumption, which helps bring the balance of payments into equilibrium. In addition, the demand for products not entering international trade increases--due to their decreasing price--and as a result import demand gradually decreases. Thus the balance which had been deficit looks toward a more beautiful future, presuming that the governments do not begin wide scale price supports or a policy of subsidization. In this event demand--and consumption--will not decrease to the required degree. The subsidized consumption prevents putting an end to the deficit--according to the elasticity school.

The price flexibility of foreign demand for our export is large if demand for our export increases, and to a significant degree, as a result of reducing the foreign exchange price of our export. The price flexibility of domestic demand for our import is large if import demand decreases in the event of raising import prices.

According to the classical model exporters can reduce their foreign exchange prices and the domestic price of import, expressed in forints, increases if we devalue the exchange. Thus the consequence of such a devaluation is an increase in the volume of exports and a decrease in the volume of imports, and the combined effect of this is an improvement in the balance of payments.

## Concerning the Price Flexibility of Hungarian Foreign Trade

The price flexibility of the export and import products of the Hungarian economy, however, is very small. It can be observed in general around the world that price flexibility, especially the price flexibility of import demand, is small, because due to the interweaving of national economies every country is forced to import many goods which could hardly be replaced with domestic production.

From the viewpoint of the Hungarian economy the classic market mechanism mentioned earlier would function effectively, that is, devaluation would greatly increase our convertible export, if both the supply and demand flexibility of Hungarian export products were large enough. That is, if, as a result of devaluation of the forint, there were a decrease in prices such that our partners would increase their purchase of Hungarian export products, if foreign demand would increase, and if the Hungarian exporters were capable of expanding export accordingly, whether by better utilization of existing capacity or putting new capacity into operation.

But the Hungarian export structure is not like this. The supply price flexibility for a good number of our products is sufficiently great and the Hungarian economy could increase production; but the demand price flexibility is very small, because the foreigners do not react with increasing demand if our exporters reduce their prices.

For others of our export products the situation is that the demand price flexibility is large but the supply one is small; thus even at the price prior to devaluation there was all the demand for these products that we could satisfy with our capacity. In this sphere it is in vain to reduce our foreign exchange prices, thus increasing potential demand, if we cannot satisfy the increasing demand because of our own capacity limitations. For these products devaluation has no export increasing effect.

So, reviewing the export capability of the Hungarian economy, the question is not whether the rate of exchange policy is correct, whether devaluation is correct, but rather what sort of structural transformation the Hungarian economy must make.

The situation is no better with import price flexibility either. Throughout the 1970's and even at the beginning of the 1980's the development of Hungarian import has been determined primarily by the import of primary materials, materials, semifinished products and parts. Naturally materials import is not competitive import because it cannot be replaced by domestic production. The same applies to our machine import from the convertible relationship. So a large part of our import is not made up of competitive products. In such a case it is in vain to increase the import price expressed in forints; import demand does not decrease because the domestic economy absolutely needs an import of the given structure, which cannot be replaced from domestic sources. So making import expensive does not lead to decreasing import; it only increases the costs of domestic enterprises. And in the Hungarian price system more expensive import finds expression in raising domestic prices.

In addition, Hungarian economic policy made no effort worthy of mention in the 1970's to resolve the relatively tiny import price flexibility.

On the other hand, the income flexibility of import is very great; a significant import increase accompanies each unit increase in national income. And this means that import can be reduced only by moderating income, by moderating the production of national income, but it cannot be reduced by increasing import prices. Since the price flexibility of Hungarian export and import is slight, the traditional used tool for improving the external balance, changing the rate of exchange (in the case of a deficit devaluation), can bring only modest results or will be completely without effect; the volume of export does not increase and the volume of import does not decrease as a result of devaluation, it only increases the domestic prices.

In this situation an external balance can be achieved only by reducing real incomes. One way to reduce real incomes is to devalue and let the inflation which accelerates in the wake of devaluation run its course without compensating the inflationary income reduction.

But sooner or later accelerating inflation will demand at least partial income policy compensation, and this frustrates the real consumption decreasing effect expected from inflation. So the representatives of interests attaching to the balance are forced to new inflation increasing measures, thus to a new devaluation. Thus, sooner or later the economy gets into a vicious circle gyrating in which one has the problem not only of restoring the balance of payments but also holding back the ever more raging inflation.

If we try to improve the balance of payments by devaluation alone then the rising price level quickly catches up with the devalued rate of exchange, the devaluation accelerates inflation, but it does not improve the external balance. A devaluating rate of exchange policy trying to bring the balance of payments into equilibrium and thus causing inflation does not put an end to the deficit but rather recreates it at an ever higher price level--thus within the framework of the inflationary process.

#### Concerning the Demand Oriented Concept

In my opinion, the true content of the economic policy turn carried out at the end of 1978, the so-called growth course modification, is not that we deliberately turned from a high rate of growth, averaging 5-6 percent for more than two decades, to a very low rate of growth, very near stagnation. The true content of the course modification is that we switched from a production oriented economic policy concept to a demand oriented concept. This concept starts from what development on the world market can be realistically expected in demand for Hungarian export productions.<sup>4</sup>

Switching to a demand oriented concept (others call it a "demand controlled" concept) does not in itself, of course, protect against errors which might be made in judging world market demand, not even against errors of significant magnitude. Even on the basis of this concept it is possible to grossly overestimate (or underestimate) world market demand for our products, it is possible

to prepare unrealistic plans, but the approach itself, the starting point, certainly corresponds much better to the situation and prospects of our economy. So with this concept greater or smaller errors are only a possibility; but in the production-oriented concept error was almost certain.

Obviously it is unrealistic to count on a swift increase in export if the economic recession continues in the partner countries; a decline can be observed in a number of western European countries, protectionism is spreading, and the export markets in general are stagnating.

Our share on the markets of the developed capitalist countries, on the average, has neither increased nor decreased in recent years. In the short term there will be no real changes in that economic index of the partner countries which indicates what percentage growth of import belongs to a unit increase in national income.

So if the import flexibility of the partner countries is, in general, given and their economic development is slow then in the short term our export to them can increase to only a modest degree.

Thus, the possibilities of our non-ruble accounting export are basically determined by the business cycle status of the market of the developed capitalist countries and by the import demand there, which we cannot influence. In the longer run, at best, we do have a chance of increasing our market share in the developed capitalist countries.

And the increase in export which can be hoped for realistically defines the magnitude--in view of the foreign trade balance we want to achieve--of the possible increase in import and consequently of the possible growth in national income or production. The import need of the economy is a structural given fact and as long as the structure does not change substantially--and there is a prospect for this only in the longer run--the import need for growth will be quite stable (despite any cyclic variation).

Can the specific import need be reduced? In principle yes, but in practice only with difficulty. Hungary, and every other socialist country, follows a controlled foreign exchange management, limiting to a minimum the import competition on the domestic market. The import demand of domestic production has developed at the import level thus given, and we can regard it as the minimal import demand. That is, even thus far, we have imported only what we were incapable of replacing with domestic production with rational expenditure. Naturally, import could be reduced below this level by administrative means. But this would very quickly produce an unpleasant situation. A number of shortages would arise, there would be hang-ups in production, and supply would deteriorate. Sooner or later the administrative restrictions would have to be removed, and then import would increase suddenly. So an unpleasant cycle develops in the wake of forced import restrictions which confuses the development of the economy and its ability to export as well. So import cannot be limited by administrative means without serious dangers, and it cannot be limited on a lasting basis at all.

The results of the economic policy concept change at the end of 1978, and of the economic policy practice consistent with this, are well known. After the record deficit of 1978 the trade balance was in equilibrium in 1981 and we achieved a considerable surplus in 1982. Such a radical change in external economic positions in three years is noteworthy even internationally.

It played a considerable role in the radical improvement in the external economic balance between 1979 and 1981 and from the viewpoint of the future it will be an even more significant factor if, parallel with the growth course change, we made real progress in a further development of the system of economic guidance. This is important because the external economic balance cost no small sacrifices by so strongly holding back growth. Looking at the period as a whole the standard of living stagnated, investments declined strongly and the increase in consumer prices in 1979-1980 accelerated by almost two figures.

#### Balance--With Faster or Slower Growth?

In a way which can be understood to a certain extent, these developments have led and are leading to the development of positions according to which it is already impossible to continue to let the standard of living stagnate, impossible to hold investment activity at the low level to which it has fallen.<sup>5</sup> The way out is to accelerate economic growth, according to some by stepping up investment activity and according to others by a more generous wage policy leading to an increase in the standard of living.

The strengthening of such views could lead again to the development of a production oriented concept. But it would mean big trouble if economic policy and planning were again to overestimate the export capability of the country and thus the possible growth in import volume and national income. The overestimated national income would make possible an unrealistic standard of living policy and excessive investments--in the plan.

But if export does not increase as quickly as planned then there would again be an increase in internal use and consequently an external deficit. The situation would be even worse if the overestimation of export capability were accompanied by an underestimation of the import need. So we can say that establishing the export capability and the import need are the key points for demand oriented planning which takes the balance of payments into consideration.

But we simply cannot continue a production oriented economic policy which fulfills our desires of this nature; bitter experiences force us to follow consistently a demand oriented economic policy concept. Reversing the order of priorities now valid--that is, starting ambitious technical development programs and large investment undertakings, ultimately a swifter growth of national income accompanied by rejecting the primacy of the external economic balance--is possible only in theory. In practice such a change in direction is made impossible by the fact that the external sales markets give no foundation for the sanguine hopes and we have no possibility of financing an increase in domestic use from external sources to any great extent.

In the present situation of the world economy our export capability and import need are given; the present state of affairs, which cannot be changed substantially in the short term, forces us with an iron law to admit that if we can increase our export by only x percent then--in the given structure of the economy--we can increase our national income only in proportion to this. Of course, if we are capable of changing the structure, if we can liquidate the existing sources of losses in management at a swifter pace than at present, then the export capability and the export volume can increase more quickly too. But this will require time, perhaps much time. An untimely "acceleration" would soon end in exhaustion.

#### FOOTNOTES

1. Concerning this, see, for example, Lajos Faluvegi: "Growth and Balance in the Hungarian Economy," KOZGAZDASAGI SZEMLE, 1982, No 2.
2. B. Yeager: "International Monetary Relations," Harper and Row, New York, 1966.
3. In this connection see Imre Tarafas: "The Economic Policy Concept and Rate of Exchange Policy," KOZGAZDASAGI SZEMLE, 1981, No 7-8.
4. Naturally the production oriented concept is far from being identical with the supply-side economic policy associated with the name of Reagan; this policy expects an increase in enterprising spirit and production from the introduction of a single element--tax reduction. When I use this concept I intend to refer to something which was a tradition in Marxist economics, primarily in concrete economic policy practice, that the governments started from the priority of production--not simply as some sort of "Marxist dogma" but rather because the priority goal was to overcome backwardness and poverty. The traditional planning concept was characterized--with a crude and from a certain viewpoint unjust simplification--by this train of thought, that if the capital stock increases by x percent and the labor force increases by y percent then production increases by z percent, possibly supplemented by extra production deriving from an increase in productivity. The concept which starts from the possibilities of production --and not from the market demand--I call the production oriented conception, recognizing all the achievements of this conception and age.
5. The dilemmas connected with this are treated in detail by Janos Hoos: "Characteristics of the New Growth Course of Our Economic Development," KOZGAZDASAGI SZEMLE, 1981, No 10.

8984

CSO: 2500/328

# DEVELOPMENT OF SMALL BUSINESSES DESCRIBED

Budapest MAGYAR HIRLAP in Hungarian 6 Jul 83 p 5

[Article by Karoly Ban: "What Is the Bride Like?"]

[Text] Even after 1 January 1982 a definitive portion of the national income is derived from the socialist industry and from the major enterprises. Even if all signs indicate that everyone seems to forget this trivial basic truth. As if the view prevailed that on the churning sea of the world economy's difficulties our little raft will travel onto more peaceful waters with the wind and sail of the small enterprises and private initiatives (SAndor Erdelyi).

The small enterprises came to an imaginary jubilee in mid-May: this is when their number reached 10,000. According to the latest statistics there are 5,862 economic work associations [gmk's] operating in the country "dressed as enterprises;" the number of independent gmks is 3,431; besides this there are 660 cooperative specialty groups and 409 civil law partnerships. As far as the number of small entrepreneurs is concerned it can be estimated that the barrier was broken here, too, at the end of May: on 31 May the Main Control Headquarters of the Ministry of Finance had on record 81,265 small entrepreneurs.

## Beauty Problems

The statistics allow one to conclude: most of the entrepreneurs--that is, almost 53,000 of the 81,000 members--seek the opportunity for success within the enterprise's fence. VGMKs [Enterprise Economic Work Partnerships] have been set up at almost 900 employers--enterprises, institutions, research facilities --or at somewhat more than ten percent of the employers authorized to set them up. An average of 4 or 5 work partnerships were issued "operating permits" at each of these enterprises, and of course it must be added that there is a great spread behind the averages, as there are firms where 20 or 25 small enterprises received the green light, while at other places even the one or two permits are considered curiosities. In any case the experts conclude from the fact that work partnerships have been set up at "only" 10 percent of the firms authorized to set them up that many employers are still uneasy about those certain "small rafts" from which the government hoped for so much even at the time they were established. But it has never said: these will set right the national economy's wagon.



And as long as we are dealing with the numbers: the highest ratio of work partnerships were formed at the planning institutions, which some of the experts consider to be an unhealthy growth tendency. A more pleasing fact than this is that most VGMKs were organized in areas with manpower shortage (Budapest, Komarom and Fejervegyes) in districts where the plants and institutions are flirting with the exploitation of new kinds of opportunities primarily for the reason of easing the manpower problems. We can add for the sake of completeness: the interest was less than expected on the market of services to the population. The experts explain it with this: it is more worth while to work on the sly than to set up an entrepreneurship because one does not have to pay taxes on working on the sly...

When the government gave the green light to the small enterprises it was led first of all by the intent to find a format for the economic methods of production stamped as uneconomical on the scale of the large operations to open the way for filling the voids gaping in the support industry. The new formats are called upon to provide the yeast for the bread. It appears from the distance of one year that these goals have been implemented, even though there are some who paint the bride too beautiful, and there are those who do not even want to acknowledge the bride's values.

As far as the freckles are concerned as in everything new, there are knights of the boom in the small enterprises also, but they have acknowledged their unchivalrous deeds with a "chivalrous confession": they have gone bankrupt. Already last year, in the first half year of the small enterprises 600 work partnerships gave up. Those who analyze the small enterprises have also pointed out that obtaining additional income is not always proportional with the performances; for the time being they have only succeeded in recognizing this anomaly, not in eliminating it. Perhaps because--as Jozsef Papp, head of the industrial department in the PM's [Ministry of Finance] Control Headquarters told us--so far the authorities have not taken a too strict a stand against the developing enterprising formats, or the ones trying to develop. There are hardly any small enterprises where the finance auditors did not find some greater or lesser irregularities. The audits support the opinions of those who call the accounting, bookkeeping, and tax paying discipline of the work partnerships lax. The auditors often found prices which fulfill the concept of indecent profit; another irregularity that can be called typical was that they showed a preference for charging items to costs which were not costs, and thus were taxable.

Table 1. Development of the number and employment of the enterprise economic work partnerships [vgmk's]

<u>Point of time</u>	<u>Number of work partnerships</u>	<u>Number of persons working in the work partnerships</u>
30 June 1982	700	6,500
30 September 1982	1,400	15,000
30 October 1982	2,040	19,500
15 December 1982	3,020	30,000
28 February 1983	3,500	35,200
31 March 1983	4,000	45,000
31 May 1983	5,862	52,831

## For Captive Markets

Many feel it also is a shortcoming of the VGMKs that they are not sufficiently open, as they work primarily for "their own market," that is, for the market of their enterprise. Even though it is true that by doing so they relieve the overtime budget, the need for part time jobs on the outside, goal premiums and outside cooperations at the given enterprise, but it is also true that "internal" politics does not allow them to join the economic blood circulation in the broader sense. And as long as we are on the subject of the bride's beauty problems we also cannot deny this either, it is often difficult to separate the work done during working hours from the work done for the partnership; the same is also true for the materials. The prosperity of some work partnerships is built on materials "brought in," materials which, of course, are missing somewhere else...

In spite of all this it would be difficult to deny that the small enterprises are beginning to find their own identities and places in the economy that they are a step ahead of their more "cumbersome" competitors for the very reason that they work fast with low overhead, with good utilization of the working time and equipment. And we should not forget either that even with a magnifying glass one could not find a work partnership which unnecessarily hired even one administrative employee.

## The Colors of Alba Regia

The initiative of Szekesfehervar's Alba Regia Construction Industrial Enterprise shows the multicolored nature of the small enterprises. It was conceived in the token of resolving one of the most fundamental contradictions, that is, the working time and materials "brought over" from the main job. The Fehervar enterprise organized 42 independent economic work partnerships, the members of which have the small enterprise as their main jobs. In this role casting the enterprise's control is implemented not only over their activities but also over their material supply, since the members have no opportunity to "obtain" the construction materials from their main jobs. The mother enterprise derives multiple advantages from this solution.

Together with their virtues and faults the small enterprises have painted a new color on the economy's palette in the last year and a half. Some of them were not viable, primarily those which confused speed with flurry, which did not want to be enterprising but wanted to become rich fast. But most of them stood well on their feet for which there is a reason that cannot be neglected, the timely recognition of the relationship between decent work and decent earnings.

8584

CSO: 2500/336

POLAND

BRIEFS

POST-OVERHAUL OUTPUT AT 'KATOWICE'--Employees at the "Katowice" Iron and Steelworks have put in their first month working with this plant's totally overhauled and rebuilt primary production facilities. Some of the installations which were overhauled include blast furnace no 2, which is one of the two blast furnaces in Poland that has a capacity of 3,200 cubic meters, converter no 1, the sinter belt, and the blooming mill. During the first 18 days of July alone the output of the "Katowice" Iron and Steelworks has gone up by more than 13,500 tons for pig iron, nearly 8,000 tons for steel, and around 3,700 tons for finished rolled goods. [Text] [Warsaw TRYBUNA LUDU in Polish 21 Jul 83 p 1]

CSO: 2600/1108

## FINANCE SECRETARY DISCUSSES FOREIGN PAYMENTS

AU271020 Belgrade BORBA in Serbo-Croatian 25 Jul 83 p 7

[U.S. report]

[Excerpt] In a discussion group organized by the Committee of the Basic Organizations of the LC in the organs and organization of the federation, there was a very interesting discussion last Tuesday [19 July] about the present economic situation in Yugoslavia and the measures which the Federal Executive Council [FEC] and the SFRY Assembly are taking in order to get out of the present situation.

In a lengthy and substantial speech, Jozef Florijancic, federal secretary for finance, informed the members of the committee and the secretaries of the basic organizations of the LC about the country's internal and external liquidity and about measures for the regular repayment of debts, actions to combat excessive internal consumption and other regulations being proposed by the FEC.

At the moment, we have great disproportions and structural disequilibria in the country, especially in the export and import sector, Florijancic said. Our economy as a whole is not yet capable of exporting as much as it is importing in the current year. We also have the essential disequilibrium between production and spending, with about one third of overall spending not being covered. Overall spending, therefore,--personal, investment, public and common spending--is not fully covered by real income and because of this significant problems are arising in our efforts to combat inflation and in our settling certain uncovered items in our accounts: losses at all levels, including in the federation through its budget.

The present situation in the federal budget is such that in the overall volume of 245 billion dinars, uncovered expenditure amounts to about 123 billion, which is almost one half of the budget. This of course does not allow us any delays. It demands that energetic measures be taken to settle the internal material relations so that in a given period--of 3 or 4 years--we may settle those internal accounts and achieve a more harmonized relationship between spending and income.

## Debts, Exports, Spending...

The balance of our debts abroad at the moment exceeds \$18.2 billion and the major part of the repayments will fall due in the years until 1986, and now since the repayment of the principal in 1983 has been postponed, until 1987. In these years we face a repayment of about \$5 billion a year, which of course is a large amount if we know that, for instance, the total value of exports of goods and services to the hard currency area this year is planned at \$12 billion. On the basis of goods exports, we will probably earn about \$6 billion in the hard currency area. This means that we would have to use practically the entire foreign exchange earned by exports this year to repay the fixed and guaranteed obligations.

In the 1977-81 period, we spent some \$3 billion annually of foreign accumulation by taking loans, which were spent for personal incomes, investments, taxes, contributions.... This money was spent for domestic consumption. The situation is now reversed. To repay earlier loans, some 2 billion of Yugoslavia's net accumulation flows abroad annually. This means that in the years ahead of us, until 1987, we will have to annually reduce our domestic consumption if we, naturally, want to maintain a correct account toward foreign countries.

I would like to draw attention to the fact that last year, also in such a situation, we repaid \$4.32 billion of fixed and guaranteed obligations. This needed rather a great effort and resulted in greatly reduced foreign exchange reserves for the country. We have covered nearly all our obligations due last year. What has remained to be covered were several hundreds of millions of dollars which, except for the Privredna Banka of Zagreb, have now been fully paid.

## Respite Is no Solution

Having pointed out that our plan's tasks of last year of relying on our own forces and opportunities as much as possible have not been realized, Joze Florjancic then supplied information about the course of talks with international financial institutions on new financial support from abroad. In other words, Florjancic stressed, by concluding these agreements, Yugoslavia would this year repay, instead of \$5.6 billion due this year, something over \$3 billion. Thus, the obligations due this year will be significantly reduced and be moved to the next 6 years. The other part of the credit "package" refers to approving a financial credit of \$600 million to the National Bank of Yugoslavia and to postponing the short-term credits which foreign banks had in our banks and economy.

All in all, a certain respite has been made possible for us but it is no solution for a way out of the current shortage of foreign exchange liquidity. In this period of respite this year and next year, we can use more foreign exchange to import producer goods and raw materials for production and for maintaining production at a certain level. Naturally, we will have to pay for all this, and pay very dearly indeed, Florjancic said.

CSO: 2800/413

SRZENTIC ON ECONOMIC STABILIZATION

AU212035 Belgrade BORBA in Serbo-Croatian 20 Jul 83 pp 1, 4

[Report by D. V.]

[Excerpts] 19 Jul--No changes in the system, irrespective of how indispensable and how deep and radical they may be, will by themselves pull us out of the present difficulties. The changes in the instruments, in the mechanism of the economic system, in the country's economic policy are naturally important but only to the extent in which they will help make the action of subjective socialist forces more effective and productive so as to avoid the practice that political action proceeds in one direction and that certain solutions pertaining to the system pull in another direction. This has frequently made our political acts ineffective, while in the broader public it has created a feeling of helplessness that something can be done and corrected.

This was stated, among other things, at a press conference conducted by Slobodan Dabetic, assistant secretary for information of the SFRY Assembly, and by Vojo Srzentic, while speaking about implementing the long-term program of economic stabilization which will soon be discussed by the highest self-managing and political organs of the federation and which the SFRY Assembly should adopt at the end of the month.

In the talk with representatives of the public information media who report on the assembly's work, Vojo Srzentic, president of the SFRY Assembly, pointed out once more that individual views that we have fallen into the present deep economic and social difficulties, disturbances, and contradictions because of self-management were without any realistic basis. It cannot be said that this has happened because, allegedly, of too much democracy and the like, that the crisis should be solved by certain extraordinary measures and ways, and that one should to develop self-management at a more suitable time.

Changes Also in the Political System

The motives and intentions of such deliberations, Srzentic warned, need not always be oriented in advance in an anti-self-managing and antisocialist manner. However, they always indicate a lack of understanding for the causes, difficulties and contradictions of our society, and objectively help the enemies of our system, particularly those who want to prove that the "experiment of self-management" has not succeeded and so forth.

In Srzentic's view, it would be difficult to implement, let us say, the platform contained in the program of long-term economic stabilization unless the delegate system were to function differently, or rather much better and more purposefully than in the past. And in order to function better, it is necessary to adopt certain improvements, changes, and additions to the delegate system. It is certainly not necessary to wait indefinitely for some of these changes, such as, for instance, the changes in the influence of associated workers on decisionmaking both in the SFRY Assembly and in the republican and provincial assemblies and in other decisionmaking bodies.

There will be resistance because there will also be changes in the position of many subjects, particularly those who have become used to their privileges, monopoly, high earnings without much work, and so forth. There will also be difficulties. However, it is obvious that economic laws must be respected to the extreme. Naturally, this will lead to establishing new material, as well as other, relations. It is also necessary to count on the strong resistance of the business-managing and political monopoly, particularly when concrete measures are taken, so that, for instance, decisions on income for expanded reproduction are no longer made without workers in associated labor, so that the enormous white collar administrative apparatus in the country is somehow reduced, so that certain kinds of expenditures are reduced, and the like. However, there is no alternative to all this because success in implementing this stabilization program means opening up prospects for a more successful socioeconomic development of the country and a better standard of living of all, but on realistic bases. Otherwise, even deeper disturbances and a worsening of the economic situation and a greater social crisis could occur, and this must certainly not be allowed to happen.

CSO: 2800/403

CADRE POLICY BLAMED FOR POOR USE OF MANPOWER

Zagreb DANAS in Serbo-Croatian 7 Jun 83 pp 7-9

[Article by Grozdana Mance]

[Text] Along with the economic crisis there exists a very low level of manpower usage in our country. This is reflected in the high level of unemployment, by the low level of the use of work time and specialized training, and by the anti-professional attitudes which predominate in labor. Today more than ever there is a need for analyzing and overcoming this situation.

Unemployment is very high in Yugoslavia--13.6 percent of those able to work--and the level continues to increase. The situation is made even worse by the large number of educated people among the ranks of the unemployed. This precious resource, in which so much has been invested, is now giving us nothing in return.

But even full employment is not necessarily a sign of effective use of economic resources if labor is not intensive, if it is poorly motivated, if it meaningless. That is why we are interested in the effective use of work time. This indicator says that those who are employed in Yugoslavia give much less of themselves than those who are employed in the developed, industrialized countries. Studies show that on the average they work approximately five hours a day. Of course, different categories of workers utilize time with varying degrees of effectiveness. Approximately 15 percent of workers work on the assembly line, and another 15 percent work according to individual production quotas--here, the full use of work time is technologically determined. We can further add to this the highest levels of leadership in the work organizations. The utilization of work time in other employment categories is much less. It is not a question of regular and necessary work intermissions, but large gaps in time within the regular work period. Empirical data show that the intensity of work has decreased during the last 10 years (meaning physical presence at the job without working). Moreover, the already low level of work time is also unfavorably affected by a shortage of material for reproduction.

Neglected Training

The use of specialized training is also quite low. It is important to emphasize this because in a modern technological society labor expenses are reduced,



and in a highly developed technology they make up only 5 to 10 percent of total expenses. Of course, we do not have this type of technology, but the trend is the same, that is, to make labor expenses a smaller proportion of total expenses. And the lower the expenses for labor in the structure of total expenses, the more important it becomes to use specialized and educated labor capable of research and development.

We will illustrate the low level of the utilization of specialized training with a few examples:

In a group of 64 countries in which the effect of education and specialized training on the growth of social product was studied, Yugoslavia ranked with those in which this influence had the least effect. This means that we spend money for education which we then do not know how to use.

The number of products created on the basis of our own specialized knowledge was greater 10 or 12 years ago than it is today. (Approximately 80 percent of the products we produce are based on foreign specialized knowledge and licenses.) There were more designers at that time. As their number had decreased, the possibilities for new projects and inventions which can be turned into new products has also decreased.

To be sure, we have never had many patents, but in the last few years their number has decreased. According to the number of registered patents per one million inhabitants, we lag behind European countries by 30 to 40 times. The structure of patents; considering whether they come from, or are registered by, individuals or organized research activities, has gotten worse, and today corresponds to that structure which existed in America at the beginning of the century (see the data in the table). Experts believe that we are quite far behind in this area. Useful suggestions are made by 30 to 40 percent of qualified workers in the U.S., and every dollar awarded creates \$4.46 profit. The Japanese get even more out of their awards.

Suggestions made by workers are among the most effective ways for mobilizing the creative potentials of the developed, industrialized countries, and at the same time they are a means for realizing income and increasing the competitive capability of the economy. In Yugoslavia, patents, technical improvements, and useful suggestions are so infrequent as to have practically no economic function. These data attest to the innovative and creative passivity of our technical intelligence. The reasons for this cannot be found by looking at our intelligence, but by examining the structure of work organizations and the broader work environment.

One Slovenian study warns that primarily because of insufficient opportunities for using personal knowledge and creativity, we are getting to the point where our technical cadres in business management and administrative activities are quite unstable as far as staying with one job. The study also revealed that the potential for the job fluctuation of technical specialists is very great. Many specialists (approximately 85 percent) think about leaving their work organization and finding employment else where. If the work in which they were engaged utilized their talents better, both potential and actual job fluctuation might be less.

## Changed Criterion

One more indicator might be added to those already mentioned concerning the poor use of manpower--the absence of professionalism and the dominance of mediocrity. In the modern, technologically developed world, along with a high level of division of labor, macro- and micro-systems are so structured that specialized training, quality, and above-average competence are always given priority. Many examples can be given which indicate that this is not the way it is done in our country. Here are a few:

It would be normal for the strict professional standards of the university to overflow into other areas in a systematic manner. The opposite process, however, takes place, so that the professional standards at the university are lowered. It was recently published that at the Belgrade University over the last 10 years 3,345 professors had been advanced in rank, and that all of them--except for two--had fulfilled the necessary conditions. At the same time, 15 professors, of international reputation, from the Ljubljana University reported in one empirical study that during the last 10 years professional standards at the university had been lowered. In practice, the advancement was carried out according to the principle of changed criterion, in spite of the fact that our law concerning academic advancement is the strictest in Europe.

It is generally known that we are threatened more and more by the shortened life-span of products in the world. The life-span of a calculator used to be 3 years and is now 6 months. A stereo used to last 3 years, and now lasts 6 to 8 months. And our professionalism is at a level which corresponds to the period of intensive industrialization and to products of small technological requirements. All of this puts more and more pressure on a simple production process which relies on imported parts for construction.

In many organizations, people with Master's degrees and Phd's are feared. Because of differences in education, many business managers feel threatened by those with specialized training. For this reason, young specialists are left without suitable jobs and are therefore not motivated, and in this type of atmosphere they acquire their work habits. They are quickly convinced that in order to advance, political criteria are more important than criteria of work and specialized training.

Nor do professional criteria have any particular weight in the financing of research work. The publishing of discussions and books in a strictly professional, foreign publication does not give our research worker any advantage.

A number of inventors in Slovenia work like independent artists. There has not been any kind of attempt to connect them together in some way in order to achieve a synergistic effect (as takes place in the developed, industrialized countries in the form of venture capital and garage operations).

It is paradoxical that creative work is highly productive if it is done individually. When we put it into an organizational framework, which is a requirement of contemporary science, not only is there no synergistic effect but productivity even falls.

## Controversial Criteria

Expertise, the scientific approach, the division of labor, these are essential parts of professionalism. The neglect of these criteria--while they become stronger everywhere else in the world--and the greater dominance of mediocrity lower work values, create a feeling of powerlessness, apathy, and a desire to retreat into a private world. If we do not change our attitude towards professionalism as an all-inclusive system of behavior and self-regulating mechanisms, those human resources we have which are necessary for production at the high technology level will go unused. A way out might be possible by having a cadre policy which favored professionalism. This would depart from the constitutional principle according to which work is the only criterion for determining a man's position.

Cadre policy, however, is characterized by two inadequacies which lead to a poor use of manpower. One is its technical, and the other is its political nature. The technical inadequacy is revealed by its insufficient respect of the principle of allotting "the right man for the right job." An example is the transferring of managerial people from one activity to another--for example, from the forest industry to the metal industry. The industrial world no longer recognizes this practice because it has been empirically proven that neither specialized training nor invention can be transferred mechanically from one area to another.

The other inadequacy is in the political emphasis of cadre policy. Discussions have taken place concerning these very controversial political criteria in the parliament, the constitutional courts, and even outside of the country, because Yugoslavia is a co-signatory of international documents according to which political criteria are not necessary to acquire a work position.

However, in the context of our topic, the legal, constitutional, or international components of political criterion do not interest us so much as the ultimate effect of the use of this criterion on the reduction of the work potential of people, on activity, apathy, withdrawal. This is not a consequence with the lower categories of workers because the political criterion do not apply here. They do apply, however, with managerial positions, and they do so, it seems, with an undesirable effect on the utilization of manpower. Evidence exists which shows that selection and mobility are carried out not so much on the basis of work and training, but on the basis of classifying people into those who are worthy of political confidence, and everyone else. Although it is not always so in practice, empirical studies show that the opinion about the predominance of political criterion is very widespread. Moreover, we should bear in mind that perception is more important than objective truth in determining people's behavior. They will behave in accordance with how they have experienced that criterion to be dominant, independently of objective truth. But it is not only a case of mistaken perception. For example, it is difficult to find a person among directors who is not a member of the LCY. Some creative cadres wander around or go back and forth in different areas in search of better pay, although by using their talents and training their contribution, as well as their pay, might be higher.

## Two Positions

We must therefore, at least hypothetically, question the (dis)functionality of political criterion in a technologically developed economy which, at a time of ever deepening crisis, demands more and more in the way of coordination. Cadre policy which has "adapted" itself to the mediocre cannot achieve a great deal. Renowned symphonic orchestras are not in the hands of mediocre conductors, but above-average ones, scientific institutes are not run by average scientists, but by first-class ones, scientific policy in the world is conducted by Nobel Prize recipients, not by clerks. In our country, however, great research projects can be carried out by people who have not completed college, who have not published any research.

What are the chances of changing cadre policy, which in the opinion of several research workers, perpetuates the crisis and makes it worse? There are two positions on this. The first emphasizes that economic poverty and want always, without regard for the social order, leads to an emphasis on undemocratic elements in the political system. Then cadre policy will close up more and more, and become more narrowly selective, and in the end lead to a certain type of nomenclature which does not reflect the entire working population, and so cannot be legitimized. The second position relies on the achieved level of economic development, the means for production and technology, upon which the demand for democracy appears as a systemic need. This level of development corresponds to open cadre policy which implements a flexible and adaptable system. And only a flexible and adaptive system can adapt to the shocks of the great changes which take place in the world. Professionalism is a prerequisite of such systems.

It is difficult to foresee which of these two mutually exclusive tendencies will prevail, although the momentarily strong ideologicalization points more towards the closing rather than towards the opening of cadre policy.

However, the direct realization that without the greater production of goods, without more exports, without higher quality work, it is barely possible to survive, necessarily points to a greater utilization of creative resources. For that reason, motivation and a democratic atmosphere are necessary. Various pressures are negatively affecting the use of creative human potentials as a whole. Studies have revealed that there is a negative correlation between the demand for conformism and the level of innovation or creativity--the greater the demands for conformism, the less creativity there is.

It is clear that no one system can maintain stability without a certain degree of consensus. However, it is good to seek with great sensitivity the precise equilibrium which guarantees both the relative stability of the system and a certain degree of innovativeness and creativity. This means that it would be desirable to implement a structure for the work organization which would automatically, in the form of systemic necessity, bring forth innovativeness on a continual basis and at all levels. Only in this way can we increase the prospects for a better utilization of creative, human potential.

Patents--a complex indicator of industrial quality, creativity, and economic effectiveness

Number of registered patents in Yugoslavia

1970--1980

1980-80

Ratio of number of research workers and number of patents

in developed countries 1 patent for every 15-20 research workers  
in Yugoslavia, 1 patent for every 1320 research workers

Structure of registered patents

Organized research activities (institutes and business organizations)

Individuals

in Yugoslavia

1975-1979

54%

46%

1979-1981

15%

85%

in USA

at beginning of century

19%

81%

today (approx.)

50%

50%

9548

CSO: 2800/364

PREFERENCE FOR FOREIGN EXCHANGE SAVINGS EXAMINED

AU271922 Zagreb VJESNIK in Serbo-Croatian 20 Jul 83 p 3

[Commentary by Zivko Gruden: "Cold and Warm Showers"]

[Excerpts] In a television interview which was supposed to explain to the broad audience the sense and purpose of the package of laws adopted on the morning of Sunday, 3 July, the first question addressed to Dr Mijat Sukovic, vice president of the Federal Executive Council, had no connection with the aforementioned package of laws.

The question read: Does this package bring any changes in handling foreign exchange held by citizens in foreign exchange accounts? No, Dr Sukovic answered. This package of measures does not encroach on this problem, but the Federal Executive Council is preparing new facilities so as to encourage the foreign exchange savings of citizens even more.

Undermined Confidence

Why was this question asked at all within the context of talks on the latest package of laws, why it was placed on the most prominent place, and why do we assess such a move by the interviewer as "very justified indeed."

The answer is no secret for anyone: The adoption of any law, regulation, or decision which in its title contains the magical word "foreign exchange" raises waves of excitement in the million-strong mass of foreign exchange savers. As early as at the stage of preparing such acts, rumors begin to circulate as information from "reliable sources" about "new restrictions in disposing of foreign exchange savings," most frequently, in fact, about a "confiscation" or a "blocking" of foreign exchange. These rumors are not spread only by naive and unformed people, and their sources need not be innocent. By their direct effects these rumors certainly are not innocent: Whenever such rumors start the number of holders of foreign exchange saving accounts who "travel abroad" suddenly increases, and they withdraw their monthly quota of foreign exchange (surprisingly, on the border crossings on those days no increased traffic of our citizens is noticed....). Banks have to take care that, God forbid, it would not happen that any of their branches should remain, even for the briefest possible time, without any foreign currency. The news about this would immediately spread, it would

take on who knows what dimensions and interpretations, and such a mere "technical mistake" would be very dearly paid for. And not only in that branch and not only in that bank.

Since rumors have come to nothing and are calming down, part of foreign exchange is being returned to saving accounts, while another part is ending up in stockings.

It is likely that the dangers of such psychoses--always unpleasant and certainly so at a time of a general shortage of foreign exchange--were the main, if not the only, cause of the agreement reached among banks last October which limits the amount of foreign currency which a saver can withdraw immediately, or during a month. However, judging by all indications, the effects of these moves are far removed from those expected and desired. At the Economic Institute of the Ljubljana Department of Law (Bajt Institute) it is assessed that it was precisely this move which has undermined the confidence of foreign exchange savers which is expressed by a rather widely spread tendency to withdraw the monthly foreign exchange quotas and to move foreign currency to stockings.

Why, in fact, do our people so jealously watch their foreign exchange, prepared to keep it "for safekeeping" in stockings at the expense of otherwise attractive interest rates?

In this connection, one could say, there is no mystery here. Nonetheless, it appears that certain things are not quite clear, or at least not sufficiently clearly stated. Let us ignore the advantages enjoyed by those possessing foreign exchange in using loans and in buying certain goods. What is decisive is the following: For many years, ever since a high and increasingly higher inflation has prevailed in our county, foreign exchange savings are the only possible monetary way of postponing consumption, a long-term collection of money for a certain purpose, this is the only possible monetary way of ensuring for one's old age, for unforeseen circumstances, for any possible hard days. It is not possible to save dinars. (The latest increase in interest rates has only indicated a different policy, a different attitude toward dinar savings, and to the dinar itself.) To keep dinars in a savings account--numerous bitter experiences provide evidence of this, which, however, appears to be of no interest or concern to anyone--has meant in previous years to surrender oneself to an unscrupulous manipulation with money and to remain nearly without any savings acquired--and why not?!--by good, honest, and productive work, which is useful for the society and appreciated by it.

CSO: 2800/412

## ILLEGALITIES IN WHEAT PURCHASING DISCUSSED

Zagreb DANAS in Serbo-Croatian 14 Jun 83 pp 20-21

[Text] For those peasants who speculate in wheat, it would be good to stop the supply of bread and flour, because that is the only way the peasants will deliver wheat to be sold and not feed it to their pigs or sell it to middlemen or grain smugglers. This was suggested in one of the numerous discussions before last year's harvest and the purchase of wheat, and although it did not gain any support, it does illustrate those opinions which come up before every harvest. So it goes with this one, that our peasant associated with smugglers is the only culprit for why every year we must pay hard currency for wheat, although our domestic production is much greater than our consumption.

This opinion can also be substantiated by data according to which we will produce 5.5 million tons of wheat this year, yet we will not be able to purchase the 3.5 tons which would be sufficient until the next harvest. Hence, the harvest absurdity arises that the good inspector is worth more than the best combine worker. This year, the Croatian SR could not import wheat, although a 150,000 tons shortfall of wheat was anticipated. Surely, the inspectors and the militia are responsible for these "good" harvest and purchasing results. From the beginning of July last year, the main transit avenues of the Croatian SR and the Bosnia-Herzegovinan SR, whose Slavonia-Baranja roads which lead towards Slovenia, were so strictly controlled that every sheep truck was searched for wheat. This year, the Croatian SR decided for the first time to save the harvest, with legal police and customs measures, punishing the violators with a 100,000 dinar fine, as the Federal Executive Committee had then determined within the scope of measures for the stable purchase of wheat.

The Prognosis: This year it is anticipated that the same quantity of wheat will be produced in the Croatian SR as last year, despite the fact that around 10,000 hectares less were planted. This good prognosis is based on the well-performed sowing and the wheat's good wintering. Therefore, it can be expected that in the public sector, the average return will be around 5.2 tons, which is a total of around 530,000 tons. Of this amount the real market surplus will amount to around 450,000 tons. In the private sector, with an average return of 3 tons per hectare, a production of 665,000 tons of wheat is expected. If only 38 percent of the wheat produced by the peasant is



purchased, and that would be around 250,000 tons, the Croatian SR would not have to spend one dollar on imported wheat this year.

If the two year peasant harvest calculation squares with the planners' expectations and hopes, who besides inspectors and the militia can help in purchasing these 250,000 tons of wheat from the individual farms in the Croatian SR?

The price of wheat is almost always the best measure and the best purchaser. Last year when its price was 13 dinars, the middlemen offered 15 and even 17 dinars in the villages of Slavonia and Baranja. Clearly, last year's price of 13 dinars was sufficient for the peasant to realize a good income in wheat, especially if its purchase guaranteed seed, fertilizer, diesel fuel and combine and tractor services. But, could we say that the peasant is a worse businessman if in this case he refused this price if someone offered him 17 dinars for his wheat?

The real question is who benefits when more than the agreed price is paid, and what is more profitable than to bake bread with this wheat. At the same time there is sufficient wheat in the world market and at a significantly lower price, if we use the dinar's official rate in our calculations. The entire problem is really one of hard currency, because it concerns the balance of wheat in each republic. All imports of wheat by those republics experiencing a shortage, must be paid for by that republic from its own hard currency coffers. To supply the millers with domestic wheat, even at a significantly higher than agreed at price, is still better than having to pay for it in hard currency so necessary for reproduction materials for industries and other needs. This is the basic motto with which middlemen come along with the blessings of the organizations and even the broad socio-political associations which send them.

Inspectors: Distributing the need for wheat among the republics is, hence, one of the causes for wheat smuggling and the fact that some send inspectors to prevent smuggling, while others send middlemen with money to circumvent the law and the agreed purchasing of wheat. Wheat, that is to say the purchase of wheat, is a problem by which we enter into the heart of the problem of the unified Yugoslav market and the association of labor and resources, and for which the middlemen and inspectors are only the external manifestations.

Another side of the problem involving the purchase of wheat is found with the peasant, that is to say in the relation to him, because it is obvious that in spite of the fact that the price of wheat is high, especially smuggled wheat, not even half the wheat produced by the peasant is purchased. How should the peasant be convinced to sell all, or at least most of his wheat to society? Although there are some who favor forced purchases or something similar to the already mentioned cutoff of bread supply, experience suggests that there are ways to purchase all the wheat from the peasants without resorting to great appeals, purchasing headquarters or, of course, force. The secretary of the Associated Union of Slavonia and Baranja, Stevo Banic cites the example of Baranja in which wheat is purchased in only two places, and the purchase is almost 100 percent, that is to say that there is almost not one grain of wheat left in the peasant attics of Baranja. Stevo Banic explains

this simply. The peasant of Baranja has his own livestock feed factory and does not have to feed his pigs wheat as happens in regions where a kilogram of livestock feed is more expensive than a kilogram of wheat. Furthermore, in Baranja, each village has a general store, all peasants are assured of seed and the other reproductive material necessary for sowing and harvesting. Naturally, this peasant does not need to hide or smuggle his wheat.

When speaking about purchasing, one sometimes forgets the other problems of the harvest, of which the harvest itself is the most important. Just last year there were difficulties with combines, and now from the agricultural vehicles and the supply of reserve parts or combines and other machines which are used in the harvest. Here is an example. Last year, the harvesters of the Croatian SR received 243 new combines, and this year they have succeeded in contracting the delivery of only 111.

With all of this, the producer of the Zmaj combine asks for every machine delivered, up to \$10,000 of hard currency participation or corn worth that much. This, he later exports through one organization and then obtains with the money those parts for production, which are imported.

Fuel: Despite the protestations of the producers and suppliers of diesel fuel that there will be sufficient fuel for the harvest, from agricultural factories and collectives, they respond that 26,650 tons of fuel and 3200 tons of various lubricants is all the republic has determined for the agricultural sector during the harvest, that is from 20 June to 5 October, it will not be sufficient for the harvest or taking the grain to the silos.

The money for the purchase of wheat is a special story, because it is graphically said at the bank windows that there are almost no dinars for the purchase of wheat. What is this about? Just in the Croatian SR almost 11 billion dinars are necessary for the purchase of wheat and rye from the private and public sectors. With regard to the expressly restrictive credit-monetary policy, almost all banks have reached the planned limit. Now the question is how to find money for the purchase of wheat. The executive committee of the Croatian SR's Assembly is seeking in the country's fields to set aside credit to prepare for the tourist season and to purchase various agricultural products from the total limit of growth allowed investment banks. Furthermore, the problem with money is that wheat production finds credit in the wheat growing, that is, agricultural regions, while, credit supplies are formed in the large consumer centers (Zagreb, Split, Rijeka). On the other hand it is important that the two banks which otherwise cover around 30 percent of wheat's purchase in the Croatian SR are insolvent, and those are the Privredna Banka of Zagreb and the Osnovna Banka of Vinkovici.

This year's purchase price of wheat has provoked rather sharp discussions because wheat's uniform price is one of the preconditions for preventing speculation with wheat. But, there is another side to the uniform price of this product, because wheat's production costs in the plains are significantly lower than in the hill-mountain regions. Hence, somewhere production costs are 4 to 5 dinars per kilogram while in the hills they can be 20 dinars, that is to say more than its total price.

Nevertheless, an agreement was reached last week in the Federal Executive Committee that the purchase price of first class wheat will be 15 dinars, second class 14 dinars and third class 13 dinars a kilogram. An agreement was also reached that the uniform purchase premium for a kilogram of wheat will be at most 1 dinar.

Control: Is 3.5 million tons of grain sufficient for the country? If time allows and with these agricultural machines all the fields will be harvested. Also, if all the agreed prices are honored, there will be no smuggling nor calculating with wheat, although middlemen have surrounded the peasants and are reserving the wheat. They will transport it after the harvest when controls will be lighter on the roads. Of course, if these 45 billion dinars for the purchase of wheat in the entire country can be found, we would accept the prognosis of this year record purchase with optimism. It is expected that if these preconditions for a good harvest and purchasing are fulfilled, we will have to ask why every year we must approach this business as a campaign. Although the harvest itself and the purchasing are in essence campaign business, the preparations and the entire business for this campaign would have to be anything but campaign. The example of Baranja, where the harvest and purchase is an organized business with exceptional results, verifies the fact that we do not need to appeal to our wheat producers, nor do we have to evoke a poor economic situation because of which the purchase must succeed, but only normal market behavior in which there is no interest in cheating, smuggling and blackmailing with one's product. The militia and inspectors on one hand and the middlemen from the other are not a long-term solution, and hence, neither for the producers of wheat, be they from the public sector or private producers.

12217

CSO: 2800/348

## KRAIGHER SAWPY FEDERAL CONFERENCE REPORT

LD240930 Belgrade TANJUG Domestic Service in Serbo-Croatian 0942 GMT 23 Jul 83

[Text] Belgrade, 23 Jul (TANJUG)--Sergej Kraigher, member of the SFRY Presidency and chairman of the commission for the problems of economic stabilization, submitted the introductory report at today's session of the SAWPY Federal Conference.

"The implementation of the long-term program of economic stabilization demands that we rely on our own forces, that we constantly strengthen them, and that we join in the international economic cooperation and division of labor in a comprehensive and equal manner. Thus, we consistently continue implementing the policy which contributed to our very backward and war-torn country becoming within a relatively short time an industrially semideveloped country having widespread international economic cooperation links and a relatively important role in international economic life and development. The implementation of this program contains and demands a wide and deep social grasp of the present situation in our society, the important changes in social life and work, and the behavior by all in order to overcome the consequences of the years-long economic instability, high inflation and excessive indebtedness in the country and abroad and the creation of the necessary socioeconomic conditions for a lasting, stable and dynamic social development.

This presupposes and demands that everyone of us, every worker, working person and citizen, every self-managing organization and community, every sociopolitical community and its organs grasp their place and role in the present situation, and with full responsibility determine their own tasks, which they will coordinate and implement with the necessary knowledge and understanding of the position and interests of those with whom they are linked through business or otherwise and on whom they depend.

Every sociopolitical organization and all other subjective socialist forces and factors of socialist consciousness, including science and professional work, as well as the initiative and creative activity of the working people and citizens themselves and their social organizations and associations, must in the system of pluralism of the self-managing interests and socialist self-managing democracy, in accordance with their position in society, determine, elaborate and concretely outline their tasks in the implementation of the program.

Therefore there can no longer be any talk about the exclusive or main responsibility of the Federal Executive Council or the republican and provincial executive councils and their organs for the implementation of the long-term program of economic stabilization, although their responsibility, in view of their constitutional functions and legal powers, is very great. It is no longer sufficient for sociopolitical organizations and their leaderships to give only support to the long-term program and its implementation, although this is necessary and very important for the unity and mobilization of our own forces. Scientific and professional consideration, analyses and interpretation alone, and the study of the situation in society, social development and phenomena is no longer sufficient. It is necessary to directly engage one's knowledge and skill and to bear the responsibility for the proposals, to contribute by one's activity to the changing of the situation and to the solution of problems, as well as to the opening and encouraging of progressive processes. The implementation of the long-term program of economic stabilization demands that everyone accepts his share of responsibility for his work and behavior in his environment, organization and community.

Only thus can the demand to rely on our own forces be transformed into the real content of life, work and the development of our self-managing society, and become a guarantee of the implementation of the long-term program.

In connection with the implementation of the program, especially in light of the present bad experience and also because of its contents, a question, which is quite essential, is often asked: where is the guarantee that this program also will not suffer the fate of similar programs, conclusions and resolutions? The answer to this and similar questions must be above all be sought in the long-term program itself, using the present experience as well. First, does this program really express the direct and long-term interests of the working people and the objective legitimate tendencies, and does it, in the manner and method of their implementation, envisage such conditions which will directly, economically and otherwise motivate the working people and also represent for them forms of economic compulsion to fulfill in the reproduction of their life and in the implementation of their interests, conditions of work and development—the aims and tasks of the program. We are convinced that the program corresponds to these demands. And second, will the subjective forces of our socialist self-managing society and factors of socialist consciousness organize and mobilize themselves in a corresponding manner for its implementation.

This means, among other things, that the sociopolitical organizations should transfer the emphasis of their activity from the forums to their basic organizations in the self-managing organizations and communities and municipalities, as self-managing and basic sociopolitical communities; that the work of the leaderships of these organizations is developed here and that permanent cooperation is established with the delegations and delegates, extending all the necessary help to their initiatives in the self-managing organizations and communities whose delegates they are, as well as in the assemblies of the sociopolitical communities and in the self-managing organs of the organizations of associated labor and self-managing interest communities. This means that in social practice it is necessary finally to overcome the influence of

liberalism and the theories of spontaneity of various forms, as well as allowing the institutions of our sociopolitical system to be guided by daily pragmatism and expectations that self-management and its institutions and the activity of the working people and citizens will by themselves follow the desired course without the systematic work on the part of the sociopolitical organizations, the League of Communists above all.

The Socialist Alliance of the Working People, as a democratic creative force of the delegate system—to use Edvard Kardelj's words—has in this a special role to play which nobody and nothing can replace. Since the Socialist Alliance is or must be the association of all organized socialist forces in our system, and above all one of the most important forms of permanent democratic communications with the masses of the working people and citizens which do not or not necessarily function through their forums but through their working bodies—sections and similar forms of work—can and must become the form of democratically organized initiatives, agreements and mutual coordination and implementation of common interests and tasks in all numerous and varied situations which will follow and in which the long-term program will be carried out.

In this respect, today's Federal Conference session is also of special importance. The long-term program of economic stabilization and its implementation represents such a comprehensive social undertaking that it justifies and demands that the Federal Conference declare itself to be on a common platform of all social forces united in the Socialist Alliance. This justifies the present engagement of its Presidium and working bodies in the preparation of the program and in the application of its parts, as is evident from the enclosed material for this session. Its engagement in the adoption and implementation of the long-term program in all environments will give an impetus to the implementation of the role which belongs to the Socialist Alliance in the delegate system, in the work of the delegations and delegates, as well as in the preparation and organization of the necessary activity to elaborate and concretely implement the tasks of the long-term program by the self-managing organizations and communities, sociopolitical communities and sociopolitical social organizations, as well as citizens' associations, in keeping with their place and role in our social life and development.

Only with the activity and role of the Socialist Alliance in our system, as also determined in the principles of the Constitution and in all program documents of the LCY, and elaborated in detail in Kardelj's "Directions of Development," is it possible to overcome in practice a narrowing of the initiative and responsibility which was seen in the implementation of the policy mainly limited to the League of Communists and organs of authority, as if the League of Communists was still part of the state apparatus which is directly responsible for its work and the implementation of the adopted policy.

Only if the Socialist Alliance is activated in this way will the ideopolitical role of the League of Communists, as the moving force in our social development and system of socialist self-managing democracy, be expressed. This social essence determines the character and role of the long-term program of

economic stabilization as a whole and of all its parts individually. In this respect the commission, too, was faced with the dilemma: What is the long-term program of economic stabilization and what is the role of its individual parts, or rather of the commission's documents on this program? Since such dilemmas and questions still exist among the public, allow me to outline the following characteristics of the long-term program of economic stabilization.

The long-term program of economic stabilization is composed of the starting bases and all documents which the commission prepared and published on the individual fields of social life and work, as well as of the final part.

The final part, as stated in its introductory observations, constitutes, together with the starting bases, the ideological basis of the program and contains the basic conclusions, proposals and recommendations for its implementation.

In keeping with the starting foundations as the common platform, the commission elaborated those areas of work and social life where contradictions, due to the dynamic social development, deepened and intensified, and where unsolved problems and problems which were not grasped in good time accumulated, which constitute the real essence of the present structural problems and disorders in our society, of their interdependence and links, especially of those problems and disorders whose solution in the course of the program's implementation will expand the possibilities and ability of our society to revive the economy and its dynamic development.

Let me mention only those areas in which structural disproportions most strongly manifested themselves with all the negative consequences for the economic stability and social productivity and which are elaborated in the corresponding document of the program: The development of economic relations with foreign countries, the regional aspect of development in Yugoslavia and the development of the economically insufficiently developed republics and the Province of Kosovo, the bases and frameworks of the long-term social policy, the development of social activities, the problems of employment and the directions for their solution, the development of the agro-industrial complex, the strategy of technological development, the development of energy and transport, as well as housing and communal economy, and the position and development of small businesses.

Each of these parts of the program, elaborated as a special document, represents a part of its organic and consistent whole and it also has a special value and function in the organically linked consistent whole of the long-term program. They, therefore, do not and cannot have in any form the character of an enclosure to such a program. Each one points to the internal laws and conditions of development of these fields in the present domestic and international conditions and to their influence on economic instability and social development. At the same time, each one points to the objectively given different situations and contradictory interests existing in these fields of social life and work, as well as to their influence on the whole socio-economic development in the Yugoslav socialist self-managing community. It also points to the common interests and to the possibilities for their

coordination and common solution. Each of these parts, therefore, has its own importance in the organically consistent whole of the program and each one will play its role in grasping more comprehensively and deeply and in engaging more widely the working people in overcoming the basic disproportions in the socioeconomic structure and in the implementation of the program.

The commission's documents--the anti-inflation program for adapting the economic system and the strategy and bases of the policy of development--also have synthetic character. For all these reasons, the closing part of the program represents its final document, which is based on all previously adopted documents and synthesizes their basic findings.

The elaboration of the long-term program represented a difficult and responsible creative work which was joined in a devoted manner by over 350 scientific, professional and public workers. It was necessary to coordinate the stances and to find the best solutions in the objectively given conditions and laws. Apart from the scientific, public and professional workers who were constantly engaged in the work of the commission, its working groups and subgroups, during the elaboration of all commission's documents in the socialist republics and autonomous provinces and institutions in the federation which participated in the work of the commission, numerous scientific, public and professional workers also participated in the preliminary consultations in accordance with the various nature of questions and character of the themes which were subject of consultations.

This work necessitated corresponding political coordination of the stances on proposed solutions, their general social and political consequences, the influence and acceptability as regards social trends on the whole as well as individual fields of social life and work in all their complex interdependence. There were no special difficulties in coordinating the stances when it was a question of strategy and the bases of the policy of material development and society as a whole, or the individual fields of social work, with the exception of some questions of policy as regards the development of agriculture. Problems arose, above all, in connection with the determination of the position of the basic protagonists of the implementation of this great social undertaking, that is the self-managing position of the working man in society as a whole and in each field, his position in expanded reproduction and economic relations with foreign countries, and in the conditions of his business operations and income aimed at making him economically interested and compelled to seek optimum solutions, as well as in connection with the forms of self-managing concentration of social resources and the questions of the system of primary issue and the role of the credit deposits in the banking system.

Allow me to stress also on this occasion that various attitudes, concepts and theories, with all the contradictions existing today in the broad public in various environments and in expert and scientific circles, also manifested themselves in the commission and in its working bodies. In the conditions of our socialist self-managing democracy and contradictions of our social life and development, they express the sociopolitical consciousness and the achieved level of dedication to self-management as well as the ability of our society and its organized socialist forces for the coordination and



direction of the pluralism of self-managing interests, for theoretical planning and formulation of the experiences in the development of our society and of our social system as well as to gain the upper hand over and combat phenomena, tendencies and activities alien and contrary to socialist self-management and its class, democratic and human contents. The increase in economic difficulties and the signs of the economic crisis, foreign illiquidity and internal indebtedness and the measures to state organs which had to accompany such a development are causing concern, but the real gravity of the situation we are facing is being increasingly understood. Parallel with this there are also more intensive attacks on self-management and on its individual institutions by individuals and small groups which, however, have not always received the response they deserve.

Various concepts and theories about our development and the system exist and will undoubtedly emerge in the course of the program. This we know and we have to prepare ourselves for it; this is why I am talking about it.

I can say that during the work of the commission and of its working bodies we proceeded from the well-known attitude of the LCY program that nothing that we have achieved is so sacred that it could not be improved and that it could not and has not to cede to something which is more progressive. Thus, the provisions of the constitution, of the Law on Associated Labor and of all so-called systemic laws had been continually checked during the work of the commission and its bodies, but they were checked above all through our social practice, with the aim of analyses and examination of the real problems and events in our society and in connection with their application in their entire mutual interdependence and orientation to general social events in the country and the world.

In coordinating attitudes no compromises were made regarding the principles, but reasons which lead to various attitudes and difficulties were taken into consideration. This, of course, does not mean that similar issues and dilemmas will not emerge in the course of implementing the program. I can say that in this respect, along with the principled attitude and devotion of all the participants in the work of the commission, we have achieved accord on all the most essential issues necessary to work out the appropriate long-term economic stabilization program, a program consistent in all its parts and which represents the basis for application in social practice.

Allow me to take this exceptional opportunity--this SAWPY Federal Conference session--to thank most cordially all the participants in the work of the commission, working groups and subgroups and, in particular the coordinators of their work, for their devotion and work completed expertly and well in the political sense.

The commission does not believe that all the issues have been examined but that on every issue only the best possible solutions have been provided and that some attitudes will not have to be re-examined in the course of their application. This, however, does not in any way diminish the fact that the long-term program is not an act which, as a resolution of the political forums and of the organs of the sociopolitical communities, could be changed or

supplemented with amendments to its individual formulations or attitudes, though undoubtedly, enough justifications could be found to do so in many respects. The program, such as it is, is formulated. Its purpose is to serve as a joint platform for the work of organized social forces on its application by elaborating and concretizing it according to the needs and specific conditions and tasks, as well as responsibilities of everyone in the spheres in which he acts, for the critical and creative testing of the proposed solutions through their application.

After all, as far as back as the starting foundations adopted by the SFRY assembly and verified by the 12th LCY Congress, the realization of the attitudes of the commissions' documents had become the direct responsibility of all the participants in its work. The very content and the character of these documents implied their further elaboration and verification, that is, confirmation and concretization in practice.

Practice however, regarding the republics and provinces, varied; it differed with regard to individual documents and themes. The Trade Union Federation has independently developed extensively activity in the sphere of the distribution of income, of net income, as well as of forming personal incomes. The activity of the SAWPY Federal Conference in this sphere can be seen from the attached material for this session. The attitudes of the individual parts of the long-term program, in particular of the anti-inflationary program and of the elements of the policy and system of economic relations with other countries, served in many of their elements to conceive the policy of the SFRY Assembly for 1982, and in particular for 1983, as well as for the work and activity of the Federal Executive Council and its organs in its implementation.

With today's session of the SAWPY Federal Conference and with the adoption of the attitudes on the proposed program, in particular on its final part, as well as with the adoption by the LCY Central Committee of the attitudes adopted on the long-term program by the LCY Central Committee Presidium, the necessary political conditions have been created for this program truly becoming the joint platform of all organized socialist social forces for their further work, for systematic, organized and synchronized implementation of this program as a whole and of every one of its parts.

With its adoption by the SFRY assembly and by the assemblies of the republics and autonomous provinces as the basis of their work in the sphere of economic stabilization and long-term socioeconomic development, it becomes the binding basis of activities of all their organs, of their work in resolving the immediate, exceptionally complex economic problems, and of taking measures and activities aimed at alleviating the present situation and at creating a firm socioeconomic basis for a more stable and more dynamic social development in the next period. It also becomes the binding basis for the preparation and work on long-term social plans to be adopted by the SFRY assembly and by the assemblies of socialist republics and autonomous provinces and other sociopolitical communities, as also of their medium-term social plans. Therefore, the long-term economic stabilization program serves also in an appropriate manner all self-managing organizations and communities and all social legal persons.

A commission for the implementation of the long-term economic stabilization program has been formed at the Federal Executive Council. The plan for implementing the long-term program which the Federal Executive Council proposed to the SFRY assembly represents basically the first steps in the complete elaboration and concretization of tasks, and in determining the exponents by stages, that is, its gradual implementation. Similar plans for the implementation of the long-term economic stabilization program will also have to be worked out by all other social factors and they will have to organize themselves for their implementation.

The long-term program and the plans for its implementation could also serve the working people and citizens as an orientation in their work, life and development, as a basis for their active and creative participation in its implementation in the environments in which they live and work, for the activity in their sociopolitical organizations as well as in social organizations and citizens' associations.

I think that on this occasion my task is not, and cannot be to present any kind of review of the ideopolitical foundations of the long-term program because, as has been said, this is provided by the concluding part of the program with the starting foundations of the long-term program. It is even less possible to present the problems of the economic and development policy because such a presentation would of necessity be one-sided. In the sphere of social policy and social activities, where the problems are particularly delicate, let me stress, the long-term program proceeds from the unity and mutual dependence of economic and social development. This stems from the fact that associated work and the working man, as the one who creates the income, is the only one capable of resolving and coordinating his numerous interests in the dynamics of social development.

The first stage of the realization of the long-term program demands full insight into all social changes and full sensitivity for the numerous social situations which will arise and for which relevant solutions should be found. Regarding the artisan craft industry, let me only stress the following: Its underdeveloped state causes significant disproportions in society and their consequences are unfavorable in many respects; untapped possibilities for employment, insufficiently intensive and rational use of available capacities, machines, raw materials and such like, shortage of services and of auxiliary and supplementary production which would relieve large collectives and organizations of associated labor and reduce imports, resolve the problem of the shortage of services and better satisfy the needs of citizens and, lastly, prevent the so-called moonlighting, that is, work outside the regular job, with primitive technology which keeps back development and which does not provide services at the modern level, reduces the intensity of the work of workers in their jobs and directly restricts possibilities for employing persons seeking employment.

Allow me to dwell a little longer on some elements of the program which are of special importance for its implementation.

The long-term program of economic stabilization for our multinational community and for individual areas of social life and work represents, in essence,

the implementation of the fact already established in the starting foundations and in many congress documents, that the solution of current economic and development problems and tasks of our society, and also the development of self-management and the implementation of the basic self-management production relationship and of the position of the workers, represent an inseparable dialectical entity and that any dilution in both devising and implementing this policy can cause our society great harm.

The concluding part of the program notes that stagnation in the development of socialist self-management--in addition to realizing and failing to resolve quickly the contradictions of our social development and of its material foundation and of the impact of the world economic crisis on our economic position and development--is one of the reasons for the economic crisis. The contradictions between the social character of production and production forces and private usurpation shaking the present-day world, mainly in the shape of usurping surplus labor and deciding about it in all the alienated centers of social power and in the shape of increasing exploitation of the underdeveloped and of the developing countries and of concentration of power in various independent centers of power, is being manifested in our country in a specific way in conditions where the means of production are socially earned. Social ownership--although it represents the basis and a legal expression of self-management social-economic relations--operates and is manifested as social ownership only if in the process of social reproduction controversial interests are resolved and self-management socioeconomic relations are fulfilled, and only if the state bureaucratic monopoly and technocratic-managerial monopoly with group property characteristics do not gain the upper hand together with private usurpation and use of income and social resources in the shape of various privileges, squandering, idleness and the like.

All this undermines social property and slows down the development of self-management social relations. Manifestation of the economic crisis in our country, with many accompanying consequences, unequivocally points out that we are lagging behind the development of self-management, and especially of the basic production relationship in which workers in basic organizations of associated labor decide about income and social resources. The fact, however, important they may be, that the self-management status and the rights of our workers and working people and citizens and their role in associated labor and our society are beginning to abolish, in the system of self-management socialist democracy and of socialization of policy, the duality in the social position of our working people as private persons and as political citizens, the feeling of social security of the working people and in the broad masses of the working people there is the increasing awareness about our predestined links and about the brotherhood and unity of our nations and nationalities, are in themselves not sufficient regardless of their importance to overcome this fact. [Sentence as received] The fact testify that the general social conditions for the solution of the economic crisis in our country are different, and that possibilities exist, and they are only possibilities, that the crisis can be overcome relatively easily and without major political and social upheavals.

The long-term program requires therefore that conditions should be established in our society which are necessary to end the present practice of resolving problems of the economic development policy separately from the development of self-management, and that with the establishment of the conditions for their full affirmation and encouragement of its development self-management should become a genuine and not only a declarative element of our economic and development policy and of its implementation. The policy of relying on our own resources and the program of economic stabilization can be carried out only by consolidating and developing the basic self-management production relationship, that is, only by affirming and by developing the decisive role of the workers in the basic organizations of associated labor in all forms of their association and links in associated labor and in our society as a whole, with the aid of and via the delegate system. Only workers as self-managers and commodity producers, freed of the logic and conduct of a hired worker, can take on the responsibility, effort and burden of this big social undertaking and make its successful implementation possible.

To give way to pragmatism in this respect is one of the main reasons for the gulf between declarations and resolutions and actual social practice, and between what is normative and what is actually happening. Such practice was partly an expression of the shortcomings and of the imperfection of our system and also of ideological disagreements, that is to say of the skepticism as to the validity and justification of some basic institutions of our self-management system, such as self-management agreement-seeking and social negotiations, pooling labor and resources, self-management interest communities and free exchange of labor. As a result of these concepts these circles saw mainly the dangers of unpredictable developments, of new forms of voluntaristic neglect of economic laws and of reserves of narrow statist and technocratic interests; they pointed out many actual shortcomings in the implementation of the constitution and of the law on associated labor and of other laws pertaining to our system, self-management general acts and the like.

On these questions the long-term program is consistent in its stands, proposals and recommendations which, among other things, are set out in the Development of the Legal System of the Point of View of Economic Stabilization Document.

Some people stress that the special value of the long-term program is its consistency against statist orientation in the quest for the respect for economic laws, its demands for full operation of the unified Yugoslav market and for the influence of the world market, that is, the influence of more productive economies for our economy and market.

There is no doubt that these are all the values and advantages of this program which introduce elements of economic coercion and motivation into the practice of all social factors and into their reciprocal relations demanded by the commodity economy as elementary conditions for normal functioning. This in itself requires, compared with the present state of affairs, new qualities in economic operations, in the methods of regulating the current developments and in social planning. However, the long-term program contains more. On this occasion I can explain this fully, and do so only with regard to what is

the condition and a component part of the implementation of the basic production relationship in the implementation of the basic conditions of the long-term program.

First, insofar as the unified Yugoslav market and the operation of economic laws on the basis of the principled orientations in the starting foundations, that is to say in the constitution and the law on associated labor are concerned, by insisting on a free movement of commodities, money, resources, free exchange of commodities and scientific achievements, of professional experience, and so forth, the program consistently proceeds from the position of a commodity producer and manager who in conditions of social property has a far greater chance under equal conditions, and not through (?his position) or under the monopoly pressure, to operate on the market according to his calculation and form the prices, and who as an associated worker operating on the basis of the income, which is social income, can take advantage of all the opportunities offered by the self-management basis of the market and himself contribute to its development, whereby both the market and the conditions prevailing in it can become increasingly organized and open without the market losing anything, and in fact gain in all its characteristics of objective expression through prices, socially required values of the goods and services and through its function of selection and allocation of resources.

In this connection the long-term program requires the organs of all sociopolitical communities not only to prevent but, with measures of economic policy in keeping with their constitutional commitments and within their powers, to encourage a free movement of commodities and of money and of all other values, and of all activities of economic and of social subjects which in terms of our constitution make up the basis of the unified Yugoslav market. However, unlike the present practice, conditions have to be established under which prices will in fact be formed on the market, within the context of business relations and as a result of negotiations between organizations of associated labor, and secure the earning of income by basic organizations of associated labor under equal conditions. This will serve as a basis, condition and criterion of organizations of associated labor for their reciprocal self-management price negotiations, for reciprocal pooling of labor and resources, for joint income, for cooperation and joint planning and other forms of gauging and influencing market activity and supply and demand relations which can, freed of voluntarism, contribute to organizing the market and demand-and-supply and price formation. This could represent an objective basis for coordinating the relations on the market through social planning and for guiding economic and social development and in so doing ensure their bigger reality and efficiency.

In the years past, neither in practice nor in science, have we worked out in our social conditions the relevant practice of regulating the economic trends and social planning, a practice which would correspond to the self-managing relations; neither have made use of and creatively applied Marx' theory of social reproduction. There have been attempts, at some time even some initial results, but then everything stopped. In abandoning the etalist methods of the central planning system, methods of the developed capitalist economies and the interventions by their organs have essentially been and are still being deployed. But these methods and interventions have not yielded results, even in capitalist social conditions.

The conclusions and tasks demand that, on the basis of Marxist science and our social conditions, methods of directing economic trends and the methodology of self-managing social planning be worked out and that at long last a break be made with either Keynesian or purely monetarist or any other foreign models. This of course does not preclude the use of individual methods and experiences of others, by bearing in mind our general economic, and in particular, social conditions.

In order that the worker, in the conditions of social ownership, might be able to carry out with full responsibility his functions as manager in the implementation of the economic and development policy, it is necessary to create unified general conditions of the economic activity and of acquiring income, conditions in which he must behave both as a goods producer and as a manager, as the basic exponent of the price formation.

In his current business activity, he must have at his disposal, and carry out economic activity with, his "own" working capital, including the obligation of partial self-financing, and this means that he should be more independent of banks and also more responsible in using the resources; he should truly become an exponent of planning income and of its disposal and distribution and also in the sphere of economic relations with other countries. This calls for a relief of the burden on the income of basic obligations on the basis of credits and taxes and obligatory pooling of resources, all of which should contribute to a broad material base such that workers could with full responsibility carry out their managing function with all its material and other consequences. Both the constitution and the law on associated labor explicitly demand this, but in practice this is not respected.

On such social and material foundations, which are yet to be created, workers will be fully interested in implementing their rights and obligations to associate and organize themselves into basic organizations of associated labor in all parts of the working organizations where conditions envisaged by the constitution and the law on associated labor exist. If organized in line with the constitution, the basic organization of associated labor will not be a factor of fragmentation of the economy, as one can hear being said and which is feared. On the contrary, workers will be truly interested in the working organizations in which they associated themselves, as well as composite organizations of associated labor, becoming business organizations with joint risk and solidarity and organized along modern lines and capable of competitive struggle and of mastering and developing modern technology and the achievements of science. In this way conditions will also be created for more equitable relations between workers of management organs and joint services and workers of basic organizations of associated labor on the basis of the results and of the free exchange of labor, and this will make possible the economic control by workers of the work of these organs and joint services as well as the overcoming of the present great social power of these organs.

In this way, the delegate system and the delegate assemblies will acquire their true self-managing socioeconomic basis and content. Only this will create the conditions for the system of self-managing social planning, with

self-managing agreements and compacts on the foundations of the plans being realized as a new quality and integrating factor in our society, as well as the system of expanded reproduction with the pooling of labor and resources as its basis. Therefore, the concluding part calls for the setting up of conditions and of all forms of stimulating and favoring joint investments in order that this becomes the prevailing and economically most attractive form of self-managing integration. This means that the one time skepticism regarding the significance of this fundamental element of self-managing concentration of resources in general, and in particular regarding credit relations, have already been overcome. However, its development cannot be abandoned to haphazardness; efforts must also be made to have credit relations develop in line with the activities and needs of the organizations of associated labor. It will have to exert a positive influence on the basic organizations of associated labor in the direction of their integrating and pooling to produce for export, and on ensuring as soon as possible--through consistent application of coordinated solutions of the amended law on the foreign exchange system--the right conditions for the establishment of the foreign exchange market, that is, for the internal convertibility of the dinar and the policy of a unified exchange rate of the dinar.

A further condition for strengthening and developing the basic production relationship is the application and enforcement of the unified objectivized foundations and criteria for decisionmaking on income and on its distribution and disposal. The lack of these foundations and criteria has been shown to be a major shortcoming, with grave consequences for the efficiency of our economy and our social development; this in particular from two aspects.

First, our economy and the organization of associated labor, as well as workers in them, have not been subjected to economic pressure, nor have they been economically motivated by legitimate relations, which objectively exist and act in the struggle for greater income and rational disposal and distribution of income between gross personal incomes, that is, basically, between consumption and accumulation. This can be achieved by parameters given in the concluding part and more broadly elaborated in the document entitled "Adaptation of the Economic System."

Second, the absence of these parameters has made it difficult to ensure--following the adoption of the law on associated labor, which contains very definitive attitudes on this--the necessary progress in implementing the principle of remuneration according to work in line with every individual's contribution to the income realized, and this both by his past and living labor. The absence of these parameters has made it difficult to cooperate on the basis of joint income, and as regards personal incomes and remuneration of workers according to their real working contribution, both as a worker and as a manager.

This means that in the relations between workers in associated labor, the element of distribution as a function of stimulating production and of growing results of work as a significant factor of unity of the working class and a factor against all phenomena and tendencies of leveling out as well as of unjustified differences in personal incomes, that is, against personal incomes which are not based on contribution to current and past labor, has not been present.



The long-term economic stabilization program, and in particular the documents on the adaptation of the economic system to the demands of stabilization, as well as the concluding part, point to the significance of the basic proportions in the newly created income, that is, gross personal income and consumption and accumulation. They point to the objectively legal relationship which exists in every society in a given situation between these two proportions in implementing the income and in its disposal and distribution. It is on the determining of this proportion and its implementation in practice that the growth of income in fact also depends, as does the strengthening of the economic coercion and of economic motives of economics with living and past labor, and the stable and coordinated development in society as a whole. But, because this relationship is implemented in social reproduction, both on the market as well as in direct relations between economic subjects, of course, under the influence of market laws and prices in realizing their interests, this legality demands to be respected; if this is not the case it revenges itself in particular with a fall in the efficiency of investments--as has been the case in our country in recent years--and thus also with a slower increase in income and a restricting of possibilities to increase net personal incomes and the standard of living.

This in fact does not mean anything else but organizations of associated labor taking account of legal relations and interdependence of present and past labor and of economizing with regard to the former and the latter. In larger communities it means taking note of the laws operating in the relations between the two sectors of social reproduction, which is a matter pointed to by Marx in his theory concerning social reproduction.

Since gross personal income in the distributed income does not contain over-all social expenditure, the workers in basic organizations of associated labor and indeed all social-political factors are facing the task of protecting the net personal income upon which the direct expenditure of the workers and of their families depends.

Workers decide also about expanding the material basis of their labor. The protection of accumulation must also be taken into account so that the optimum relationship can be established between accumulation and invested resources which will represent the best return on social resources and also yield the best results and increase income. In this connection, the best conditions must also be established for gross personal income and for other commitments according to joint and general expenditure.

To implement long-term social economic development, self-management integration and concentration of resources on self-management foundations is particularly important. This is an essential element when devising development policy--to keep abreast of modern progress and increasing concentration of resources as required--and even more when being implemented.

The implementation of the joint economic policy and of joint development policy in the country as a whole and in individual republics and provinces, and also in municipalities and in communities of municipalities, and also the implementation of joint development programs of individual production

groups and major technological systems is certainly impossible without that form of concentration of resources. Besides, the program reckons with systematic and organized action of subjective forces on this task, in keeping of course with the system of self-management socioeconomic relations and with the political system. The first and the basic condition to make sure this activity assumes the necessary intensity is the implementation of the inviolable rights of the workers in basic organizations of associated labor in extended reproduction.

When I spoke of the general conditions of economic operations required for the basic production relationship and an appropriate role of the workers in the basic organization of associated labor in expanded reproduction to come to life, I already mentioned that without creating these conditions it will be difficult to expect the results called for by our economic and social development. Integration processes have been making headway during the past year, but they are not being discussed at any great length. By and large these developments are being compared with the overall level of investments and so they must seem to be hopelessly small and insignificant. However, the picture is changed to a certain extent when compared with investments in individual branches of industry or other activities, for instance, in energy or in reproduction complexes, in the chemical industry and in agro-kombinats, in metallurgy and in the metal industry, in the agricultural area and the like.

The aggravated economic position, the policy of realistic rates of exchange and shortage of accumulation, that is to say of free investment resources in the banks, the reprogramming of many economic organizations and helping the enterprises operating at a loss will certainly encourage this process. Credits too will provide a bigger scope for decisionmaking by the workers in the basic organizations of associated labor in these processes if the marriage link, as Kardelj used to say, between the state capital and the stage organs is broken.

It is obvious therefore that self-management social planning is an inevitable condition of economic stabilization and of harmonious socioeconomic development. Nevertheless, the present situation is such that many basic and work organizations do not have their plans and the social plans of sociopolitical communities, and of the federation, of the republics and provinces and of the municipalities are not based on the plans of self-management organizations and communities and their self-management agreements on the foundations of their plans. This scientific and professional knowledge of the directions and possibilities of the development in the country and its individual parts is not based on the objective existing state and conditions in which organizations of associated labor and their communities fulfill their daily and development interests on domestic and foreign markets and in the already existing reciprocal relations of business cooperation and of pooling labor and resources. The plans of the banks in which social resources are constantly concentrated are not developing on reciprocally coordinated plans of the members and of the participants in banking operations either. As a result there is no cooperation on this point between the banks, through which income and permanently-linked industrial business partners operate.

Of course, it should be stressed that without the appropriate market and price operations and their laws, and without the application of socially established foundations and criteria of the efficient use of social resources or of making economies with regard to present labor, there can be no realistic planning either in organizations of associated labor or in sociopolitical communities.

This strategy and the basis of the development policy are without doubt a sound basis for agreement-seeking and negotiations in associated labor, in joint development programs and in joint investments.

Our practice shows that our multinational community developed more efficiently and coordinated its joint interests in the SFY assembly or directly between the republics and provinces if self-management integration in associated labor was stronger. This will help market operations to be stronger, and the same applies to self-management social economic [word indistinct] in commodity production on the unified Yugoslav market.

The problems and the conditions of implementing the long-term program in economically inadequately developed republics and in the province of Kosovo were looked into with particular attention. It was done on the basis of taking note of the present results, which are considerable. In future, too, we are reckoning on joint investments and incentive measures for the faster development coupled with adjustments in market operations and on the basis of solidarity and joint interests.

Processes of self-management integration cannot be abandoned to uncontrolled developments and to the waiting for understanding about their advantages in organizations of associated labor to ripen. Action by subjective forces is required here, especially by those which bear the responsibility in organizations of associated labor and in self-management communities. They must operate within the system of self-management organs and the system of self-management decisionmaking. Of course, they must be helped also by the leaderships of political organizations in keeping with the principles of self-management. Then there are professional and other specialized organizations and associations to deal with this kind of need.

Of course, a specific mechanism is also required which will operate vertically among them and at grass root levels, that is, among individual organizations of associated labor within the framework of reproduction entities and production groups and areas which will take note of the requirements of the unified Yugoslav market and the use of its advantages in our relations with foreign countries, and also of their protection against the activity of multinational companies regarding some very often rather sensitive products, for instance, computers. Business and business-planning communities also have a role to play here. However, the practice and experience of general associations and of chambers of economy and of interbranch cooperation in industry have to be re-examined.

Kardelj drew attention to the fact that in the plans of the federation there did not come sufficiently to the fore, on the one hand, the functions of the

organs of the federation in the direction of securing continued reproduction of socialist self-management relations, or, on the other hand, in the direction of the establishment of a system of relations between the republics and provinces as self-management communities either--so that the economic policy of the federation could encourage coordination of the development policy of the republics and provinces and of negotiations on the joint policy in the service of enhancing self-management relations and consolidation of togetherness in the solution of major disproportions in our society on the basis of joint plans and of joint development policy.

With regard to the role of the republics and provinces and of national economies, as well as of the activity and development of the unified Yugoslav market, the long-term program contains elaborated principled attitudes also contained in the starting foundations. I would only add the following: Since the republics and provinces are responsible for their development and for the development of Yugoslavia as a whole, their social plans and development policy play a decisive role in eliminating the manifest disproportions, and in particular the main disproportions, that is, a lagging in exports and in economic cooperation with other countries.

This is also significant when examining the regional aspects of the social planning and the joint interests for the optimum use of production resources and other development factors of every area, for the implementation of those directions of the joint cooperation and joint development policy which are pointed out in the documents on the strategy and foundations of the development policy and on the regional aspects of the development of Yugoslavia. At the federal level we shall agree all the more easily on the foundations of the social plan, as envisaged by the system of social planning, if republics and provinces are truly and objectively mutually acquainted with the socioeconomic problems, if every one of them grasps the problems of others and if they are taken into account in agreement-reaching on the joint policy. A special function of the plan of Yugoslavia, as the basic joint planning act which exerts a fundamental influence on the activity of the unified Yugoslav market and the development of relations with other countries, is to determine the joint goals and tasks of the economic policy and to make possible and facilitate, on these foundations, agreement-reaching on the joint goals of development being coordinated at the Chamber of the Republics and Provinces. When the joint goals of the development are coordinated, they represent a joint, or rather the unity, of the development policy which, by the obligations taken on from the agreement on the foundations of the plan, becomes the component part both of the republican and provincial social plans.

Now, concerning the role of the municipalities as the self-managing and basic sociopolitical communities. Apart from the principled premises contained in the starting foundations, their function and tasks in connection with resolving problems and with development in individual spheres, in particular in the policy of employment and social policy, in the development of social activities, in the development of the artisan craft industry, as well as in the housing and communal policy, the long-term program has no concrete and elaborated assessments, proposals and recommendations for their function as a whole and for their significance. Since municipalities and the communal

system represent the basis of the sociopolitical system, their role is, we could say, in many respects decisive for the successes and implementation of the long-term program. This is a task for the republics and provinces, that is, for the municipalities and their communities.

When the SFRY Presidency proposed the formation of the Commission on Questions of Economic Stabilization, it took the standpoint that the only possible way out of the unfavorable economic situation, unfavorable development trends and overall damaging activity of the inflation over many years, was a clear assessment of the situation and of its causes, a clear convincing perspective pointing the way from and to solving these problems.

In the initial stage, in which we are now, in addition to all the measures and efforts which will seek a way out of the economic crisis, in addition to efforts to export and replay obligations to other countries, in addition to rescheduling and other measures for normalizing the financial situation in the country, everything possible should be undertaken without delay to ensure for workers, working people in associated labor and society, as our system demands, truly to make decisions on all major issues which are, above all, issues of their life and existence and of development. And this is precisely why we should waste no time needed to work out the strategy of the technological and technical development and of the development of the agro-industrial complex, solutions of the problems of energy and transport, problem of employment and artisan craft industry. It is in this way that the plan of implementing the long-term program, proposed by the federal executive council to the SFRY Assembly, has been basically conceived.

In this connection should be clearly noted the activities which already prove to represent a realistic way to increase production, revive development and employment, halt the fall in real personal incomes based on employment. The mobilization of all social forces for the solution of the problems which working people face in their day-to-day life and work is possible only on the basis of a clear grasp of the situation, determining the tasks and unfolding a perspective. This is also the way to consolidate our international position and our all-round international activity in the increasingly difficult international political relations.

The long-term economic stabilization program and the unity of all working people in its implementation will give our country a solid basis for a more aggressive mood in economic relations with other countries because this activity, by its unity, could be better substantiated and more convincing for our foreign business partners, for international organizations, for the institutions with which we cooperate. Every step forward we achieve will represent success and affirmation of self-management, both in the international workers' movement as well as to all progressive forces in the world.

CSO: 2800/394

## SAWPY CONFERENCE STANDPOINTS

LD241641 Belgrade TANJUG Domestic Service in Serbo-Croatian 0600 GMT 24 Jul 83

[Text] Belgrade, 24 Jul (TANJUG)--At yesterday's session the SAWPY Federal Conference adopted the following standpoints for the activity of the front of all organized socialist forces in realizing the goals and tasks of that program;

## I

The SAWPY Federal Conference is adopting a long-term program of economic stabilization as the most important task of our self-managing socialist society in the present phase of development of our revolution. This document, of outstanding importance for our future, represents a joint ideopolitical and social platform from which all social forces, working people and citizens organized in the Socialist Alliance will proceed in their further efforts to overcome economic difficulties and to resolve key issues of our development on the bases of socialist self-management and the power of the working class, the equality, brotherhood and unity of all our nations and nationalities, the independence of our country and the policy of nonalignment.

The program is based upon an assessment of the present economic situation and gives realistic guidelines toward overcoming difficulties and weaknesses with the aim of strengthening and further developing socialist self-management, on the bases of the constitution, the law on associated labor and the program documents of the LCY. This program lays down the obligation for profound economic and social reforms to which there is no alternative, demands great efforts but also opens up realistic prospects. It becomes in the hands of the working class and all working people a powerful weapon in their struggle to overcome economic difficulties and stagnation in the development of self-management and mobilizes them for further development of productive forces and socialist production relations.

We are faced with major tasks of adapting the overall socioeconomic structure to the needs of rehabilitating production on the bases of intensive economic activity, modern organization, equipment and technology, higher labor productivity, modern organization, equipment and technology, higher labor productivity, further increases in exports, more rapid productive employment, consumption within the limits of realistic possibilities, halting the fall in

the standard of living, removing unjustified social differences and establishing a new quality of life as a whole. These tasks require consistent implementation of self-managing production relations in all spheres of social life, respect for economic patterns, self-managing association and planning of overall socioeconomic development alongside complete reliance on the material forces and creative capabilities of working people, which have already been developed in production, science, education, culture and all other spheres of social labor.

Over the recent period a powerful working class has evolved which is professionally trained, politically active and ready to achieve together with the working people of the villages even greater results in labor, economic activity and self-management. The many natural and other potentials which are as yet unutilized enable us to increase even more rapidly production for our own needs and to develop more broadly all forms of economic relations with foreign countries. The political unity of our people, the brotherhood and unity of our nations and nationalities, socialist self-management, nonaligned foreign policy, the powerful system of all-people's defense and social self-protection and the unshakable determination to defend oneself and strengthen the country's independence and its independent path in building socialism --were tried and tested in revolution.

The guarantee of our further successes is our system of socialist self-management and power of the working class and the inalienable right of our nations and nationalities to develop freely in democratic relations on the bases of equality in a federal community and to strengthen Yugoslav socialist patriotism.

On the bases of these achievements major results have been attained in material and social development so far, and the first results have been attained in overcoming economic difficulties, which the stabilization program has pointed out. These examples show how the struggle for stabilization should indeed be waged, and show how great our opportunities are for overcoming the difficulties through mobilization of all subjective forces.

The long-term economic stabilization program proceeds from the determination of working people and citizens to make use of all the self-management forces and potentials at our country's disposal in the struggle to implement that program. Every individual, self-managing organization and community, municipality, republic and province should switch to making better use of all the potentials at their disposal, relying on the creative capabilities of working people to effect unitedly through joint efforts and maximum commitment of their own forces, the realization of the goals and tasks of stabilization.

Organized socialist forces will struggle to ensure that in the overall system of self-management decisionmaking and socioeconomic relations the constitutional right of working people to make decisions on the entirety of income and social reproduction is realized. In this way the authority of self-managing institutions, workers' councils, delegations and delegate assemblies will be strengthened, their independence and responsibility will be consolidated and their efficiency in labor will be enhanced. It must be ensured,

through systemic decisions, and especially through self-management agreements and social agreements, that workers in basic organizations of associated labor and work communities and in associated labor as a whole are economically motivated and socially responsible for making effective use of social means and for arranging the overall trends of social reproduction in a self-managing way, particularly in the sphere of acquisition and distribution of income.

The gravity of the economic situation, owing to the accumulated contradictions of development hitherto and also to the general situation in the world, requires the broadest possible mobilization of workers, rural dwellers, young people, veterans, members of the army and all progressive patriotic forces in order to execute the tasks of the long-term economic stabilization program, primarily to make a decisive alteration in conduct in production, consumption and social life. This turnabout must be carried out alongside the necessary conscious self-denial which such an undertaking inevitably implies. All measures which will lead to a strengthening of social discipline, managerial and working morale and responsibility must be unconditionally implemented. Administrative regulation of relations in production, distribution and consumption, which is not our outlook, must be directed exclusively toward constant strengthening of self-management and of economic motives of economic activity, and must be based upon agreement at the front and upon decisions of delegate assemblies.

All socialist subjective forces must advance unitedly and be on the offensive, without hesitation, wavering and delay. Each must assume his share of obligations and be answerable for their execution.

It is essential to make all factors of social functions and all those empowered with public authority to execute the matters and tasks entrusted to them fully answerable in order to ensure that accounts on the realization of stabilization policy are regularly submitted. Those who are not capable of executing stabilization tasks or who do not attain the hoped-for results should be replaced and their posts entrusted to those who will be able to do this and who want to do so. Anyone who in defense of acquired positions and privileges offers resistance to stabilization policy should be held politically, materially and morally accountable. A battle must be waged decisively to squeeze out all statist and techno-bureaucratic involvement in the trends of social reproduction as well as unitarist, nationalist, separatist and all other anti-self-management tendencies.

The entire struggle for stabilization must be permeated with complete and timely imparting of information to the public about the results and problems of daily practice in order to exert a mobilizing and unifying effect toward implementing the stabilization policy. The public information media will do everything to ensure that economic stabilization policy becomes the property of all working people and citizens, and that the struggle to implement it grows up into a forceful all-people's movement.

The SAWPY Federal Conference considers that ideopolitical activity should be focused upon the permanent orientation of society, expressed in the LCY program documents, the constitution and the law on associated labor, and also



upon the ideological orientations contained in the long-term program of economic stabilization. This means an even better organized and more stubborn struggle to strengthen further the self-managing position of workers in associated labor in all spheres of social life, and to develop further the system of social self-managing democracy and the delegate system as its framework. It is essential to wage a vigorous struggle to ensure that the self-management functions of organs of sociopolitical communities develop more rapidly and more fully, and to ensure that bureaucratic-statist conduct is overcome wherever it is in evidence. This means that the main solutions for overcoming the present difficulties and opening up prospects for development lie in the hands of working people and citizens organized in a self-managing way and associated in unified social actions. Realization of economic stabilization and further development of the political system constitute the sole and inalienable directions for action.

## II

Calling upon all working people and citizens to exert all forces in realizing the program of stabilization in their self-managing organizations and communities, the SAWPY will make a particular commitment to executing the following tasks:

--to begin to make a thorough change in the structure of production in order to enable the economy to be more boldly involved in international distribution of labor by means of specialization, cooperation and other forms of integration, better utilization of domestic raw materials and our own technology, alongside the optimum combination of productive factors;

--to place the entire social income under the direct control of workers in associated labor;

--each basic and other organization of associated labor should through better labor struggle for greater income by means of fuller reliance upon their own forces and by means of more rapid linkage and association with others;

--to execute an essential redistribution of the social product in favor of strengthening the material basis of associated labor;

--to cultivate every inch of land, raising yields, and to make rational use of and protect cultivable land, water, meadows, pastures, forests and other natural resources, to stabilize the market for agricultural products, guarantee the buying up of all surpluses and create conditions for better food supplies to the population as well as increasing exports;

--to halt the spread of unemployment and to find new opportunities in every environment for productive employment, above all of young and educated people;

--to spend only as much as has been realized, invest only within the scope of realistic accumulation and to guarantee full social accountability for each invested dinar;

--it is incumbent upon all self-managing organs and sociopolitical factors to offer determined resistance to everything which helps inflation and to eliminate the causes and consequences to which inflation gives rise;

--through the pricing policy and system to establish more equitable conditions in acquiring income, raising competitiveness of the economy and stabilizing the market and standard of living;

--to ensure full discipline in executing financial obligations in the country and with regard to foreign countries and to suppress decisively all forms of uncovered indebtedness and abuse of the instruments of payment;

--the dinar must become the sole measure of value and the sole means of payment on the unified Yugoslav market; the struggle for a firm and convertible dinar is the constant task of all;

--to ensure the free movement of goods, money, labor and skills in the unified Yugoslav market;

--to strengthen the motivation for more productive labor and create conditions for everyone to acquire income in accordance with the labor exerted and with the results in management of social means and on the basis of the most equitable conditions of economic activity;

--to offer greater stimulation for productive and creative labor and also for labor under difficult conditions;

--to reduce the share of joint and general consumption in the social product, primarily by rationalizing labor and social activities, and to restrict the growth of the administrative apparatus in all self-managing organizations and communities, and of other unproductive expenditure and investments outside the economy;

--to stop all investments which are not in accord with stabilization program;

--to mobilize all scientific and professional forces on realizing a long-term strategy of overall socioeconomic, scientific and technological development;

--to step up economies, reduce all economic and other expenditure and make more efficient use of capacities, energy, materials and working time;

--to intensify labor discipline, accountability for the execution of labor obligations and the struggle against attempts to abuse rights on the basis of labor, to the detriment of social property, income and economic activity;

--to assess on the basis of the results achieved in implementing economic stabilization policy the work of all leading cadres in the economy and of those empowered with public authority, and to adopt decisions on prolonging mandates or replacement. Responsible posts should be entrusted first and foremost to younger expert cadres who are oriented toward self-management and who will confirm their worth and skill on the job;

--to ensure that workers are given objective and timely information about the results of labor and economic activity in organizations and associated labor as a whole, in order that workers may regularly monitor and check the realization of economic stabilization tasks and may initiate the question of accountability for their execution;

--to ensure full protection of legality, self-management and social property, and ensure the efficient work of judicial, inspection and other organs, and also of organs of self-managing workers' control;

--to place taxation policy and the taxation system at the service of economic stabilization and development, while distributing the burden of economic difficulties in a more balanced manner through harsher taxation of income derived outside regular labor, monopolistic profits, rents, real estate and other property;

--to wage a struggle for a stable material and social position of workers who live exclusively from regular labor, pensioners and other socially threatened strata; to alleviate the social consequences which will arise during the implementation of economic stabilization, particularly for workers in organizations of associated labor which need to put on a sound basis; and to ensure that the solidarity funds are used in the most rational manner in conditions of limited material possibilities;

--to ensure that the standard of living moves in accordance with real opportunities and to conduct an active social policy as an integral part of daily economic activity and development in organization of associated labor and sociopolitical communities;

--in all environments to develop the small-scale economy as an important level for increasing the volume and assortment of output, for greater income, growth of employment--particularly of workers returning from abroad--for increasing exports and replacing imports and enriching the domestic market, and with this aim in view also to make use of citizens' means;

--to coordinate the development of social activities with the material possibilities of associated labor in order to ensure a social standard level which corresponds to the level of production and income attained, whilst establishing a more determining influence of associated labor on this section of social consumption, greater respect for objectivized criteria and more rational utilization of funds and selective policy;

--to stimulate rational housing construction as an important factor of stabilization by means of direct decisionmaking on the part of investors and users with regard to the scale, price and quality of building and maintenance, alongside increasingly greater respect for economic criteria, greater participation of personal funds and more rapid development of housing cooperatives;

--to expand all types of cooperatives and other forms of cooperative organization with the aim of increasing production, income and employment;

--to develop association and linkage of working people and their organizations of associated labor on the entire Yugoslav territory, on income-based and self-managing bases and on the basis of the equality and fellowship of the republics and autonomous provinces and the federal nature of the Yugoslav community of nations and nationalities;

--to continue the policy of accelerated development of the economically underdeveloped republics and in particular of the Socialist Autonomous Province of Kosovo, primarily by means of self-managing association of labor and means in order to acquire joint income and realize other joint interests;

--to conduct an active population policy as an integral part of overall socioeconomic development.

### III

In its activity to implement the economic stabilization policy the Socialist Alliance must become an irreplaceable organized force, a permanent place for the expression, confrontation and coordination of interests, a place for agreement on and launching of all creative initiatives and an effective instrument in resolving economic, social, public and other problems. Consciousness must be built up on the broadest possible level with regard to the need to change conduct and to strengthen responsibility, constantly bearing in mind that the present economic difficulties are primarily the consequence of inconsistency in building up socialist self-managing relations and that their elimination requires long-term commitment on the part of all forces of society. The Socialist Alliance, together with the trade unions and other parts of the front, with the League of Communists at the head, must be more determined in transferring the focus of sociopolitical activity to the grass roots of society and carrying out there, in order that the working man in associated labor, self-management, the political system and delegate decisionmaking should become the chief mobilizing force in carrying out the stabilization program. In this interest the delegate-base should draw up clear standpoints and specific obligations for all delegations and delegate assemblies. Executive-political and managerial organs must function more consistently within the framework of their constitutional powers but must also manifest greater initiative and responsibility toward delegate assemblies for the consistent implementation of decisions. It is particularly important that the role, responsibility and initiative of management organs and organizers of production should find their full expression.

The Socialist Alliance must be more active in delegate assemblies especially, in order to ensure the effective and speedy preparation of agreements, contracts, measures and other activities through which the economic stabilization policy is concretized. Socialist Alliance sections have a particularly important role as a place for the expression and coordination of interests, exchange of positive experiences from different environments, democratic agreement on standpoints and specific agreements on actions and measures which ensure that the best possible results are achieved in implementing stabilization policy in the lines of strengthening self-management and relying upon one's own forces.

All progressive and creative forces must find their place in the Socialist Alliance, and must be constantly involved in open democratic debates on issues of economic stabilization and on the results being achieved. On this basis the unity and conviction of the masses that the announced changes will be carried out by the force of their action must be strengthened. Working people involved in an all-round way in self-managing and political life, materially stimulated and directly interested in everything taking place in their organizations of associated labor, local and interest communities, municipalities, republics and provinces and in our entire self-managing community of equal nations and nationalities represent the strength of that broad movement in the struggle for stabilization. Through such activity on the part of the Socialist Alliance they will most effectively oppose all vacillations and instances of resistance to the stabilization program, and all the more opponents of socialist self-management and the enemies of our country. The struggle against idleness, squandering, theft, parasitism, spontaneous action, disposal of social funds in a non-self-managing way, group-property conduct, isolation within regional limits and partial interests will thereby be stepped up.

All basic sociopolitical and social organizations and their leaderships are charged with building up complete ideopolitical and actional unity on the stabilization tasks. Each of them should draw up a special program of action which will contain all the vital issues, particularly those for whose solution they bear special social responsibility, in order that they may all together, within the scope of the Socialist Alliance, work in a unified manner to implement the stabilization program.

The League of Communists must step up its social and ideological action, in order that members of the League of Communists may be through their activity in the Socialist Alliance and the political system as a whole constantly in the front ranks of the struggle to implement the economic stabilization program, to strengthen the working class and working people in associated labor, to develop self-management and the equality, brotherhood and unity of our nations and nationalities and to develop our social community in an all-round manner.

By carrying out its constitutional role and position in the law on associated labor, the Confederation of Trade Unions will strengthen its activity in everyday issues of economic activity, acquisition and distribution of income and wise and responsible coordination of the interests of various parts of associated labor, and will further expand the scope for self-management and the authority of the working class and all working people.

The Federation of Socialist Youth is called upon to direct the creative enthusiasm and energy of the young generation more boldly and more rapidly toward the tasks of economic stabilization, in order to make the maximum use of the skills, knowledge and labor dynamism of young people, and thus to open up new prospects for more rational education, greater employment and more successful solution of their vital problems.

The Federation of Veterans, in making its full contribution to achieving the goals of economic stabilization, will exert more persistent efforts to ensure that the struggle for the goals of economic stabilization is constantly imbued with consciousness of its essential linkage with the defense and further development of the achievements of the national liberation war and the socialist revolution.

Social organizations and associations of citizen will develop in even more specific ways their own varied activity, aiming to incorporate as much creative initiative, expert forces and specialized knowledge as possible into the general efforts to implement economic stabilization.

Through its sociopolitical activity the Socialist Alliance will exert constant efforts to ensure that total political unity throughout the country is realized in the economic stabilization tasks. To this end, all self-managing communities, organizations, and self-managing organs must adopt as rapidly as possible programs of action from which operational plans for actions and measures in all environments will proceed, in order that the long-term program of economic stabilization may be consistently implemented.

In the Socialist Alliance as a front, a free social dialogue must be carried out with regard to the achievement of the basic goals and orientations of the long-term economic stabilization program and critical evaluations of the circumstances and negative manifestations and their causes in every environment must be ensured. It is essential for the development plans and mechanisms of the economic and political system to be critically reexamined and further developed, and for a social climate to be created for the implementation of economic stabilization and for organized monitoring of the implementation of what has been agreed; it is also essential for deviations, resistance and aspirations to maintain acquired positions to be overcome in a timely and effective manner.

Such an orientation of action requires that changes be made in the Socialist Alliance itself, in the organization, content and method of its work such as will be in line with the execution of its constitutional functions.

1. In local communities, the Socialist Alliance should be continuously involved in promoting production in particular in the sphere of agriculture and artisan craft industry and also in the tasks of self-managing association in all spheres of social work and in direct coordination of interests and of linking up by material production with education, health service, culture, social protection, social care of children, housing, communal and other activities of significance for day-by-day work and life of working people and citizens.

2. Municipal SAWP conferences are obliged to fight for the full delegate influence of associated labor and the broadest unity of organized socialist forces in the consistent implementation of the economic stabilization program concerning the need for material and social development and to put an end resolutely to the phenomena of statist disposal of social income and of regional isolationism.

3. Republican and provincial SAWP conferences will act even more intensively on the strengthening of the constitutional role of workers in associated labor and of all working people in implementing the material and social development of the republics and autonomous provinces and on the comprehensive creative work of nation and nationalities, being constantly linked in joint efforts and responsibilities in resolving the tasks of the speediest possible development of the Yugoslav community. What is of immense significance is that their activity should contribute to implementing the unity of the Yugoslav market, to free movement of labor and resources, to formulating the foundations of joint planning and to speedier development of economically insufficient developed republics and in particular of the Socialist Autonomous Province of Kosovo.

In line with its constitutional functions, the SAWPY Federal Conference will be involved in:

--preparing and implementing the plan for the realization of the long-term stabilization program in the federation;

--continuous exchange of views and experiences of the republics and autonomous provinces, as well as of sections of the front on the course and results of implementing the stabilization policy;

--adapting solutions, mechanisms of the economic system and measures of the economic policy to the demands of the stabilization, along with first determining the political platform for all important decisions and their verification by social grass roots;

--preparing the new medium-term plan of Yugoslavia for the 1986-90 period;

--preparing specific programs of long-term development of energy industry, transportation, agriculture, science and technology, artisan craft industry and tourism;

--determining the economic policy for 1984;

--consolidating international activity with the aim of strengthening economic cooperation with all countries and joint efforts in building a new international economic order;

--in further promoting the work of public media at the federal level and of the information system as a whole in order to acquaint the public in the best possible way with the results, difficulties and weaknesses in implementing the long-term program and with the essence of its basic orientations. For such mobilization and strengthening of responsibility and openness of all subjects of information activity program and implement consistently the informative propaganda activity in implementing the economic stabilization policy.

The SAWPY Federal Conference binds itself that it will, in the course of the implementation of the stabilization program, continuously reexamine and promote its forms, methods and contents of activity, above all, the activity as a front and the broadest possible participation by all social factors, even closer cooperation by republican and provincial conferences, promotion of the delegate method of work and decisionmaking and continuous coordination of the activity of organs and organizations in the federation. The work of sections and of other forms of activity should be made even more specific, more efficient and more open for all initiatives and closely linked with social grass roots. It is necessary for the SAWPY Federal Conference Presidium and all sections to be included even more directly in the work of the SFRY assembly and its working bodies, for delegates of the SFRY Assembly to be more directly involved in the work of the SAWPY Federal Conference and its organs and forms of activity. In this way the implementation of the stabilization program will be the way leading to a more consistent implementation of the constitutional functions of SAWPY in the federation.

The SAWPY Federal Conference binds the Presidium and all its forms of activity to complement their activity programs, while the SAWPY Federal Conference will at the same time, with the resolution on the socioeconomic development for 1984, adopt a separate program of activities which it will perform in implementing the economic stabilization policy.

CSO: 2800/394



## TANJUG REPORTS DISTRIBUTION OF SURPLUS BUDGET FUNDS

LD290326 Belgrade TANJUG Domestic Service in Serbo-Croatian 1545 GMT 28 Jul 83

[Text] Belgrade, 28 Jul (TANJUG)--The total revenue of the federal budget last year amounted to 199,026 billion dinars, which exceeded the federal expenditure by 1,016 billion dinars. Last year for the first time the Federal Treasury did not use the credits of the National Bank of Yugoslavia for the primary issue. This was stated at today's session of the Federal Chamber of the SFRY Assembly by Jozef Florjancic, federal secretary for finance, in his explanation of the final accounts of the federal budget for 1982.

According to Florjancic, the surplus was achieved because the so-called original revenue of the budget amounted to 874,600,000 dinars more than expected. The surplus of the federal turnover tax amounted to 1.7 billion dinars, while customs and other import duties were down by 527,100,000 dinars. The budget users did not spend 142,100,000 dinars.

When distributing the surplus--1,016 billion dinars--the Federal Executive Council considered that the already accepted legal liabilities should be covered first. It was therefore decided that 150 million dinars should be allocated to the insufficiently developed republics (Bosnia-Herzegovina, Macedonia and Montenegro). Kosovo was not taken into consideration because the resources at its disposal were not reduced last year. The Yugoslav People's Army was allocated 410,200,000 dinars. It must be recalled that after the budget was rebalanced last year, the army resources were reduced by 4.2 billion dinars. The Federal Committee for Transport and Communications should get 274,400,000 dinars for the construction of the radio relay system of Radio Yugoslavia. It is planned that the Federal Secretariat for Information should get 36.5 million for the financing of the programs of Radio Yugoslavia. The service of the Federal Executive Council for defense preparations will get 90 million dinars to pay off credits. The Federal Secretariat for Finance should get 6.5 million dinars to finance certain scientific research projects. Finally, the Federal Secretariat for Foreign Affairs should get 49.2 million dinars to cover expenses connected with the organization of UNCTAD. As is known, the federation covers half of these expenses while the other half is shared equally by Serbia and the town of Belgrade, Florjancic said.

CSO: 2800/413

## OFFICIAL CITES UNEMPLOYMENT, LACK OF MEDICINE

LD290848 Belgrade TANJUG Domestic Service in Serbo-Croatian 1730 GMT 28 Jul 83

[Text] Belgrade, 28 Jul (TANJUG)--Dr Djordje Jakovljevic, chairman of the Federal Committee for Labor, Health and Social Protection, spoke in the Federal Chamber during the examination of the report on the work of this federal committee. Last year, and at the beginning of this year, there was a critical situation throughout the country as regards the provision of medicines and other medical supplies, Jakovljevic said. At the beginning of this year over 60 percent of the medicines listed as indispensable were in short supply. The adoption and consistent application of the social agreement on the acquisition and use of foreign exchange to pay for priority imports, as well as of the self-management agreement between the producers of medicines, gave positive results, so that the situation concerning the supply of medicines was gradually normalized. During June and July, the production has been normal and the supplies considerably improved (less than 10 percent of indispensable medicines are in short supply), while exports too are improving. Apart from the efforts of the producers, the National Bank of Yugoslavia also contributed funds to improve the situation. The repayment of a loan amounting to \$30 million was postponed, \$50 million was provided for the import of raw materials and \$15 million was provided for the import of medicines, which represented two-thirds of the resources envisaged by the social agreement. The problems still exist and they are very complex, ranging from the shortage of dinar resources to pay for the import of medicines to the delay in earning foreign exchange from the export of medicines. A correction of prices of 155 medicines, free exports and the availability of 75 percent of the foreign exchange earned by exports also considerably influenced the normalization of the situation.

Manufacturers of medicines recently adopted a draft social agreement which ensures raw materials for the production of medicines. This agreement is to be signed by the end of this year, thus creating conditions for a gradual reduction in the dependence on the import of raw materials. Preparations are under way to work out a new social agreement for 1984 and to balance the real needs in medicines. All this work should be finished by the end of October.

The problem of unemployment is a serious problem facing our society which has social as well as great political significance. The growth of employment

in the past period this year is in keeping with the framework envisaged by the resolution. The structure of the employed has improved but the number of unemployed has also increased and now exceeds 920,000. A social agreement on the bases of the policy of employment and its implementation has been prepared and already discussed by the Federal Executive Council and the SAWPY Federal Conference.

The position of our workers who are temporarily employed abroad has also deteriorated in recent years. They are exposed to pressures aimed at integration as well as at an early return home. After the discussion in the Federal Chamber of the SFRY Assembly, and in cooperation with the coordination committee of the SAWPY Federal Conference for the questions of our citizens who are temporarily employed abroad, we have undertaken numerous activities to achieve their complete protection, including also the creation of conditions for an organized return and employment in the country.

Dr Jakovljevic then spoke about the policy of personal incomes. As compared with 1982, when the personal incomes were greatly increased, in the first 6 months of this year the personal incomes were within the limits envisaged by the resolution. The total of personal incomes paid in the first 6 months is up by 25 percent, while nominal increase amounts to 22.8 percent. Although a fall in the real personal incomes was expected, especially as regards the workers with the lowest earnings. The measures of social policy above all aim at increasing the guaranteed personal incomes and the lowest pensions, as well as at increasing children's allowances and social benefits.

The material position of the health service is a problem which is well known. However, the gravity of the present situation is also the result of the accumulated problems of the long-term extensive development without sufficient orientation toward prevention and primary health protection, coupled with an inadequate application of the high level of health technology. The Federal Chamber of the SFRY Assembly, which recently discussed the analysis of the health situation among the population of Yugoslavia, decided that a resolution on the united bases of development of the health service in Yugoslavia should be adopted. This is necessary because without a firm reorientation toward primary health protection and a coordinated and linked development of the institutions which are applying high technology throughout the country the situation will become even worse because it is known that no society can afford the expenditure of health protection which is orientated purely toward treatment.

The health service is in a very difficult material position. Last year, over 50 percent of the self-managing interest communities incurred losses amounting to over 600 billion old dinars, while in the first 6 months this year the financing is still more in the red. However, the solution cannot be sought only in an increase of resources without rationalizing the work, without the introduction of participation and more economical management.

Unless this is done now, the situation will continue to deteriorate and the quality of the health protection will suffer.

In conclusion, Dr Jakovljevic also referred to the ever greater problems in the field of pension and disability insurance. Almost all republican and provincial communities are faced with the problem of insufficient resources for regularly paying the pensions and disability benefits. The payment of pensions is 10 days late every month and this is causing discontent among the pensioners and unfavourable public comments.

The communities are forced to take out every month short-term loans of 6-8 billion dinars, which this year alone will push up the expenditure by 1.5 billion new dinars. The federation owes about 14 billion dinars which makes the situation of the republican and provincial communities considerably more difficult. These problems require an urgent solution.

CSO: 2800/413

## YUGOSLAVIA

### SFRY TO RECEIVE COMMODITY CREDITS FROM WEST

LD272220 Belgrade TANJUG in English 1739 GMT 27 Jul 83

[Text] Belgrade, 27 Jul (TANJUG)--Fifteen Western countries will soon place commodity credits of 940 million dollars at disposal of Yugoslav enterprises.

At today's (Wednesday) session of the Assembly of Yugoslavia Committee for Finance Associate Minister for Foreign Trade Vinko Mir stated that at this moment enterprises can already make use of 312 million dollars and that agreements for 300 million dollars will be concluded within 15 days at the latest. Negotiations for another 320 million dollars are under way, he added.

The term for enterprises to get credit is a concluded agreement or preliminary agreement on exports. In the meantime, the Yugoslav Government adopted amendments of the commodity credit law according to which enterprise [words indistinct] repay from their foreign currency receipts, realized on the basis of these credits, the money taken and rates of interest, deduct expenditures, and from what remains they will pay legal obligations in foreign currency--for oil, coal, foreign currency reserves and the like.

The Yugoslav Federation and the National Bank of Yugoslavia guarantee repayment of foreign credits. According to what Vinko Mir revealed in the assembly today, credits granted by West Germany, Austria, France and Italy are already operative. The German credit amounts to 419 million dm, Austrian one billion schillings, Italian 56 billion lire. France granted a 300 million franc credit, Belgium 550 million francs, Holland 25 million dollars, Switzerland an 80 million dollar government credit and another of ten million by a consortium of banks.

The U.S. granted a 235 million dollar commodity credit and another 160 million dollars for refinancing. Great Britain granted a 50-million pound financial credit in two installments for six months each. A 38 million pound commodity credit will be most likely granted too. Yugoslavia (?is to receive) from Canada 40 million dollars and from Sweden 20 million. All these credits, according to Vinko Mir, can be used in some 15 days.

Japan, Norway, Denmark and Finland also granted credits. Norway granted 135 million Norwegian kroner, but it insists on the credit being used for

purchase of equipment for shipbuilding industry. Denmark lays down a similar condition for a 15 million dollar credit and Finland for a 10 million dollar credit.

Japanese [as received] should grant a 60 million dollar credit to Yugoslavia but on condition that it is used for import of steel and various equipment, as well as for crediting of (?industrial) projects in which they participate.

CSO: 2800/413

## YUGOSLAVIA

### BANKS HOLDING FOREIGN LOANS

AU280814 Belgrade BORBA in Serbo-Croatian 26 Jul 83 p 1

[D. Gorsek report]

[Summary] Belgrade, 25 Jul—Credits of \$1.36 billion have been made available to our banks and economy by the Bern Memorandum, the agreement between 15 countries and Yugoslavia, chiefly for the purpose of intensifying export production and of refinancing the debt falling due. The final sum has not been determined yet, but applications for loans may be submitted. The Ljubljana Bank will coordinate the transactions with the FRG, Belgium, the Netherlands, and Denmark. The Belgrade Associated Bank will coordinate the transactions with France and Great Britain; the Zagreb Bank with Italy and Norway; and Jugobanka with the United States and Japan. The Sarajevo Privredna Banka cooperates with Austria; the Vojvodina Bank with Switzerland; the Skopje Stopanska Banka with Canada; the Titograd Investbanka with Sweden; and the Kosovo Associated Credit Bank with Finland.

The loans are repayable in 3 to 4 years, between 10 and 15 percent of the sum required must be provided in dinars, and they must be used exclusively for buying production materials.

At a meeting in the Yugoslav Economic Chamber today, the bankers informed the businessmen about the conditions attached to these loans. "It is obvious that businessmen have been insufficiently informed about the possibilities so that, according to Goran Gazivoda, representative of the Ljubljana Bank, only four applications have been received by the bank for a total of DM 20 million, although DM 419 million have been approved. The bankers find themselves in a situation that they are appealing to the businessmen to apply for loans."

The meeting tried to explain the loans, and it was stressed that the credit conditions must be published as soon as possible and that the applications for loans should be processed speedily so that loans will be approved in 3 to 6 weeks.

CSO: 2800/413

BORBA LISTS BOSNIA-HERCEGOVINA FOREIGN DEBT

AU211930 Belgrade POLITIKA in Serbo-Croatian 20 Jul 83 p 8

[Report by M. Caric]

[Summary] Sarajevo, 19 Jul-- "Bosnia-Hercegovina's debts to foreign countries, which usually account for some 10 percent of Yugoslav debts, have so far been paid regularly and on time." There is no reason why this should also not be so in the future.

"According to data of the Bosnia-Hercegovina banks, the overall obligations up to 30 June resulting from foreign loans to the economy and banks total \$1,685,000,000." These are the debts to the convertible currency area, and also include short-term credits and interest, that is, everything that burdens the republic's economy. This year, \$330 million of the "convertible debts" have to be repaid, but without a part of the principal which is expected to be refinanced from future loans. "Of this sum, \$161 million was repaid in the first half of this year, which thus leaves another \$169 million to be repaid by the end of the year."

In the current situation it is encouraging that exports to the convertible currency area increased 22.5 percent, more than was planned. The value of exports in the first 6 months totals \$415 million which is considered a good result. However, the payments by foreign partners for these exports are rather slow, mostly because of the balance of payments difficulties of these countries and increased exports on credit.

In these circumstances, industrial production intended for exports suffers because of a shortage of raw materials and producer goods. It is expected that these collectives will make additional efforts to maintain the increased rate of exports.

"The past regular repayment of debts to foreign partners will also continue in the future. To prevent a situation where a collective might "happen to fail to repay in time" because of a short repayment term of 15 days, the Republican Executive Council has worked out a special operational program of fulfilling obligations and of making payments and repaying debts abroad this year, a program which nearly has legal power. Concrete mechanisms with precise tasks and obligations have been worked out and, if everything goes according to plan,



a nearly day and night mobility will be realized in all economic units and banks, particularly to control the utilization of future loans."

A warning has been sent to all economic collectives to prepare, with the support of commercial banks, their requests for using foreign loans. The Presidency of Bosnia-Hercegovina has issued another warning to the effect that the volume of production must be increased everywhere where there is no dependence on imported raw materials and producer goods.

CSO: 2800/403

## BORBA LISTS FOREIGN DEBTS BY REPUBLICS, PROVINCES

AU191447 [Editorial Report] Belgrade BORBA in Serbo-Croatian on 18 July devotes its entire page 4 to reports on foreign debts incurred by the republics and provinces. In a 400-word editorial note on page 1, BORBA explains that total SFRY hard currency debts amount to \$18.1 and that it tried to obtain official data from the National Bank of Yugoslavia and the Federal Executive Council on how the debts are broken down by republics and provinces, "but all our efforts to get these data have remained without result." The data were therefore collected by its correspondents in the field; "only information from Bosnia-Hercegovina is missing."

In a 2,000-word report on Serbia without the provinces, M. Torov quotes the National Bank of Serbia and Milos Krstic, president of the Serbian Republican Committee for Relations With Foreign Countries, to the effect that Serbia owes \$3.7 billion, \$3.4 billion of which is in hard currencies, including expensive short-term debts of \$533.8 million. This year, \$1.1 billion of principal falls due, plus \$450 million in interest and short-term debts. The actual sum to be repaid this year will depend on the agreement to be signed with foreign bankers. Some 41.7 percent of hard currencies earned will be taken by debt servicing.

The list of enterprises with the heaviest debt burden includes "the main development leaders": the Smederevo metallurgical combine owes \$591.1 million or 22 percent of total Serbian debt, the Bor Mining and Smelting Combine owes \$269.2 million or 10 percent, the Nikola Tesla thermoelectric powerplant of Obrenovac \$225.3 million or 8.4 percent, the Crvena Zastava car plant of Kragujevac \$183.5 million or 6.8 percent, the Zorka chemicals plant of Sabac \$130.7 million or 4.9 percent, the Self-Managing Interest Community for Roads \$128.4 million or 4.8 percent, the Railroad Transport Organization \$119.6 million or 4.5 percent, the Yugoslav airline JAT \$98.2 million or 3.7 percent, Srbijaput \$55.5 million or 2.1 percent, Prva Iskra of Baric \$40.8 million or 1.5 percent, Energoprojekt \$32.5 million or 1.2 percent, Elektroistok \$31.2 million or 1.2 percent, the Bajina Basta hydroelectric powerplant \$31 million or 1.2 percent, the 14 Octoberplant \$30.2 million or 1.1 percent, the Belgrade City Assembly for the Sava Center \$26.6 million or 1 percent, and the Ivan Milutinovic enterprise \$25.6 or 1 percent.

A 500-word report by V. R. states that Vojvodina's share in the total Yugoslav foreign debt increased from 4 percent in 1975 to 6.7 percent in 1980, and the province is in a particularly unfavorable position because of the peculiar structure of its production which is concentrated on satisfying the requirements of the domestic market."

This year, Vojvodina's debt servicing will cost \$191.7 million or 37.6 percent of its planned foreign exchange inflow, as compared with a Yugoslav average of 34.5 percent. All the commitments have been met on time, and about \$80 million remain to be paid by the end of the year. It is estimated that the foreign currency inflow in this period will be about \$90 million, so that little will be left over for the imports of production materials unless the foreign exchange earnings of Vojvodina associated labor organizations flowing through non-Vojvodina banks are channeled to the province.

An unattributed 100-word report on Kosovo cites data "announced last month" according to which the total debt of Kosovo amounts to \$1,172,000,000, which is between 5 and 6 percent of the total Yugoslav debt and of which \$968 million are owed in hard currencies. Repayments of \$183 million of principal and interest are due this year.

A 300-word report by G.G. on Croatia states that \$92 million owed by Privredna Banka Zagreb fell due on 17 January. By 27 July, Croatia must pay about \$170 million, and by 27 August \$120 million more. Of these sums, about \$180 million are owed by the oil industry INA, Million. [as printed]

In a 400-word report on Montenegro, R.C. says that the debts in 1981 amounted to 15.3 percent of the social product, as compared with 14.1 percent in Kosovo, 11.6 percent in Vojvodina, 8.3 percent in Slovenia, and 7.8 percent in Serbia. At the end of 1982, Montenegro's debt amounted to \$855 million, of which \$727 million is in hard currencies. The worst debtors are the Titograd Aluminum Combine owing \$183 million, the Niksic Steelworks \$127 million, Jugooceanija \$66 million, the Pljevlja Thermoelectric Power Station \$63 million, the Republican Self-Managing Interest Community for Roads \$50.7 million, the electricity generation industry \$42.4 million, the Bar port \$36.7 million, and the 13 July Agricultural Combine \$33.3 million.

J. Pjevic in a 1,000-word report on Slovenia says that 72 percent of Slovene hard currency imports were covered by hard currency exports in 1980, 88.2 percent in 1982, and 94.5 percent in the first half of this year. Slovenia's foreign debt amounted to \$1.4 billion at the beginning of the year or about 8 percent of Yugoslav hard currency debt. Most of this debt is owed by the Krsko nuclear power station, the gas pipeline, the railroads, and the steel mills. By the end of April, the debt was reduced to \$1,267,000,000. The total repayments due on medium-term and long-term debts this year are estimated at \$501.5 million, including \$366.5 million principal and \$165 million interest. The short-term debt was reduced from \$246 million at the beginning of the year to \$152 million at the end of May.

A 400-word report by M.R. on Macedonia states that the debt at the end of the year was \$1,608,000, of which \$243 million were owed to clearing-account countries. This year, \$340.5 million were due to be paid this year, but agreement was reached with foreign creditors to postpone part of the payment and only \$290 million must be paid this year. The payments due in 1984 will be \$232.9 million, in 1985, \$233.6 million, and in 1986, \$180 million.

CSO: 2800/403

## YUGOSLAVIA

### BRIEFS

OIL PRODUCTION--In the first half of the year, the largest Yugoslav crude oil and gas producer, Ina-Naftaplin of Zagreb, produced 1,426,429 tons of crude oil, 926,766 tons of natural gas, and 66,276 tons of liquid petroleum gas. The plan was not fulfilled. Crude oil production was 3 percent below the plan and natural gas 7 percent below the plan, but liquid gas 12 percent above the plan. [Summary] [Belgrade BORBA in Serbo-Croatian 9-10 Jul 83 p 10 AU]

COAL PRODUCTION--In the first half of the year, 27,353,000 tons of coal were delivered to consumers, or 4.8 percent more than in the same period in 1982. The Economic Chamber of Yugoslavia believes that the production for the full year will be between 58 and 59 million tons and not 60.7 million tons as planned. [Summary] [Belgrade POLITIKA in Serbo-Croatian 14 Jul 83 p 8 AU]

OIL FROM SOVIET UNION--Belgrade, 21 Jul (TANJUG)--Under an agreement between Yugoslav oil economy representatives and partners from the Soviet Union additional million tonnes of oil for a total of 6.5 million tonnes will be delivered to Yugoslav oil refineries from the USSR by the end of the year. Under a previously made contract the Soviet partner has agreed to deliver 5.5 million tonnes of oil to Yugoslav refineries this year. One (?million) tonnes of this delivery was destined to supplement oil reserves. Oil consumption in Yugoslavia this year is estimated to be around 15 million tonnes. About 4.2 million tonnes of this will be provided from domestic sources. [Text] [LD220422 Belgrade TANJUG in English 1325 GMT 21 Jul 83 LD]

IMPORT-EXPORT FIGURES--Belgrade--The extent to which imports were covered by exports increased from last year's 74.5 percent to 81.7 percent in the first half of this year. At today's session of the Economic Chamber of Yugoslavia's Executive Committee, it was stressed that this increase has not come about as a result of more exports but primarily because of less imports. The value of goods sent to foreign purchasers was \$4,634,000,000, which is 2 percent down from the same period last year, while goods amounting to \$5,671,000,000 were purchased abroad, a drop of 11 percent. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatian 0950 GMT 21 Jul 83 LD]

DEFICIT HALVED--Belgrade, 22 Jul (TANJUG)--Deficit in trade with the convertible area market amounted to [figure indistinct] million dollars in the past 6 months, which is \$1,133,000,000 or 53 percent less than in the same period last year. The extent to which imports were covered by exports rose from 53.8 percent last year to 74.6 percent. According to the Federal Institute for Statistics \$2,90,000,000 [as printed] worth of goods were dispatched to convertible area buyers in the first 6 months. This is 13 percent more than in the same period in 1982. At the same time, a total of 3.9 billion dollars' worth of goods were imported from the same area, which is 17 percent less than in the first half of 1982. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatian 1050 GMT 22 Jul 83 LD]

KOSOVO LOSSES REACH BILLIONS DINARS--Economic losses in Kosovo have reached 5.4 billion dinars. Investment overruns exceed 4 billion dinars. These data were presented at a session of the Presidium of the Provincial Conference of the SAWP of Kosovo, which observed that the economic situation is much discussed in Kosovo, but little is done to improve it. A vertiable inflation of words about responsibility has broken out, but no measures are taken against the irresponsible ones. The stabilization program will not stand any delays, and the time lost cannot be replaced, it was said at a session of the Presidium of the SAWP Provincial Conference. It was one of a number of gatherings at which appeals are made that reports and marathon meetings be replaced by deeds. [Text] [AU271817 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 27 Jul 83]

VOJVODINA OIL PRODUCTION PLANS--Novi Sad, 24 Jul (TANJUG)--This year the Vojvodina oil fields should yield about 1.3 million tons of crude oil for domestic refineries and 900,000,000 cubic meters of natural gas. The first quantities of "domestic oil" from abroad, obtained on the basis of joint long-term prospecting and investments of the Naftaga organization in Angola, are expected to arrive at our refineries at the end of the next year or at the beginning of 1985. What is involved here is not only the classical type of oil imports from abroad, but a new form of cooperation. Vojvodina oil producers are searching for oil in Algeria and with their installations and expertise they offer services to their business partner in Jordan. [Text] [AU271246 Belgrade BORBA in Serbo-Croatian 25 Jul 83 p 14]

CSO: 2800/413

END