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5 MARCH 1987

EAST EUROPE REPORT

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EXPERT DEFENDS CHOICE OF AGRICULTURE AS NATION'S 'NO 1 PROBLEM'

Krakow ZDANIE No 10 Oct 86 in Polish pp 12-15

[Article by Ryszard Manteuffel: "Polish Problem No 1 -- Still Agriculture"]

[Text] Whenever one evaluates a problem, the decisive factor is the criterium used to assess the situation. This means that one chooses the subject or phenomenon to be judged, how it is to be evaluated, etc.

Therefore, when the State Publications Institute contacted myself and others 15 years ago to see what we thought was Poland's most important problem, I had to make a choice. The institute gave us full freedom to answer as we felt but gave no indication of what basis we should use for our choice. I therefore had to choose the area in which I felt the country's worst problems were to be found and what was even harder, I had to find some criteria to justify my answer.

I will admit that my choice was influenced by the fact that by professional background and training, I am a farmer and it so happens that farmers have always considered agriculture the most important issue. I myself was also raised to feel that way.

One of the first things that must be settled before moving on with the evaluation is just what we mean by the term of "problem".

I feel that this term has two meanings but in both cases, it still implies something important and decisive. A problem can be something positively accepted, which is a distinguishing feature in a desirable sense and makes it possible to protect or support, etc. the evaluated object or phenomenon. A problem can also have negative characteristics that must be avoided or can carry such negative traits. Highly negative problems are alcoholism, unemployment, poverty, hunger, etc.

Agriculture is a sector of the Polish economy that has a tradition going back for centuries (one need only recall the 16th century when Poland was the granary of Europe) and in almost instinctively choosing it as our country's

no. 1 problem, my justifying criterium was an economic factor that I felt to be most important in classifying all sectors and branches of the economy and that is how much a sector of the economy contributes to the national income. I do not know if this is the correct criterium but I will try to defend my choice.

A given country's degree of economic development is determined by the level of its national income on a per-capita basis. After all, it is commonly said that the richest and most well-developed nation in the world is that with the highest per-capita income. By the same token, the poorest country is that in which the per-capita income is lowest. The average level of affluence of each of us and the possibility of spreading this wealth around the country is measured by the amount of national income per capita.

This fact brings one directly to the conclusion that since agriculture contributes more to the national income than other branches of the economy, it is the country's most important problem. One may not agree with that statement but it does give us a point of view from which to examine our agriculture.

Fifteen years ago, I attempted to justify my ideas with the following figures.

I compared and will continue to contribute the percentage of income contributed to the national economy by agriculture not only with industry in general but also with the individual branches of industry, each of which is a counterpart of agriculture that is not a branch but a sector of the economy.

I will recall the year 1969's most important figures which made it possible for me to state that agriculture was Poland's No. 1 problem.

Agriculture contributed 16.6 percent of the country's national income in that year and no other branch of the economy came close to that figure. At the same time, it is quite important that the highest percentage of the national income fell to the food industry which refines and processes agricultural raw materials. This industry could conditionally be included as part of agriculture and is anyway still a part of our food economy. The food industry contributed 9.8 percent of the national income. If we add that to the percent of income contributed by agriculture itself, the total would be 26.4 percent which amounts to 61 percent of the industrial national income if we exclude the food industry.

The percentage of income contributed to the national economy was 6.6 percent by the textiles industry, 4.8 percent by the chemical industry, 5.0 percent by the fuel industry, 4.0 percent by the transportation industry and 3.7 percent by the machine-building industry.

The importance of the food economy is also attested to by the fact that in 1969, the average Polish citizen spent as much as 43 percent of his yearly earnings on food.

Let us now look at how much these figures have changed in the 15 years from 1969 to 1984 and how much agricultural and other branches of the economy have contributed to the national product.

Two years ago, agriculture produced 16.3 percent of the national income and the construction industry produced 11.6 percent. As for the other chief branches of industry, 4.7 percent of the nation's income was produced by the textiles industry, 4.2 percent by chemistry, 3.6 percent by the fuels industry, 6.0 percent by transportation equipment and 5.5 percent by the machine-building industry.

Just as before, the greatest percentage of national income was produced by the food industry (9.5 percent). Therefore, without that industry, agrobusiness was responsible for 64.4 percent of the country's national income.

In 1969, the percentage of income produced by the entire food industry was 53.1 percent but this fell somewhat to 49.6 percent in 1984.

1980 was a disastrous year for agriculture. This was a very wet year with heavy summer rains. Such weather is generally unknown in Poland and caused bad grain and potato crops.

So far, I have used the percentage of income generated by the various branches of industry but will now supplement that with the value of income generated by agriculture and industry in current prices and fixed prices since the disastrous year of 1980 (tables 1 and 2).

The figures quoted here and those for 1984 (the last year for which we have full statistical data from the large Statistical Yearbook of the Chief Statistical Bureau [GUS]) show that over the last 15 years, in terms of the percentage of the national income agriculture has generated, its position relative to other comparable sectors and branches of the economy has not changed. Just as in 1969, it still holds first place. This is even truer for agriculture in 1984 than it was in 1969 and even more so for agrobusiness.

Therefore, if we use this indicator for positively assessing agriculture, then I have the right to say that agriculture also maintained its position as Polish problem No. 1 in 1984.

I could have completed my answer at this point but it would not have provided enough of a basis for a full and satisfactory assessment.

The weight and importance of anything can be evaluated not only in terms of its positive sides. As I have already said, it can also be evaluated in terms of its negative role. Therefore, let us look at all the problems that agriculture has given the state over these 15 years.

In the middle of the 1970's, the market equilibrium was shaken. Personal income began to rise sharply but the value of both consumer supplies and fixed

assets no longer kept pace with the demand. Since personal income rose faster than the growth in industrial production, there was an overflow of money for food products which caused much pressure on that market. This situation was aggravated by the belief among the poorest urban and rural inhabitants that the symbol of affluence and welfare is a high consumption of meat and more money was therefore spent to purchase meat once other products became unavailable.

This is what gave rise to the "meat problem" that has persisted until today. This was also brought about by government propaganda that increased meat consumption was a symbol of the country's social and economic growth. One slogan claimed that Poland's meat consumption must catch up with and even surpass that of the United States, despite the fact many nutritional experts would never have advocated such excessive consumption of meat.

We therefore reached a paradox in which the public perceived that we are starving and that meat consumption was almost catastrophically low. This was most strongly felt in 1980 when the per-capita meat consumption had reached its highest level since World War II. At that time, the annual per-capita meat consumption was 74.0 kilograms. In 1965, the annual per-capita meat consumption was 49.2 kilograms and no one felt that the country was starving.

Another issue was the management of meat. At that time, the fodder supply was not being held back by the West. However, the fact remains that this mass hysteria about meat shortages became a very strong and burdensome political problem. The same could be said about the popular feeling that Poland was starving. Unfortunately, it must be said that the quality of food as well as the manner of its handling was and is inferior but in terms of quantity, we had more food than ever before. However, since the public was very susceptible to panic, there was a tendency for people to stock up on food and hide it away and to buy everything that showed up on the market. That made it necessary to introduce rationing which still continues for some food articles.

Here I must now give my own personal assessment of the effects of the famine hysteria that overtook our public.

In my opinion, this hysteria had certain beneficial results for all of Polish agriculture and for private farming above all.

The period of strong famine panic in Poland coincided with the publication in 1981 by GUS of data comparing efficiency in certain sectors of agriculture. This data was published by the press and other printed media. This data was seen not only by the public-at-large but also by social activists, party members, members of agricultural organizations and everyone that had some influence over the nation's economic policy.

These people were able to compare the efficiency of the different sectors of agriculture and therefore see that private farming was the most efficient. Under the influence of the vision of national famine, the PZPR, political

parties, Sejm and other organizations made decisions giving greater preference to agriculture in general and private agriculture in particular. Political and economic decisions were then made and agriculture was acknowledged to be the most important sector of our economy. It began to receive better financing and 30 percent of the state's investments went into the food economy. It was stated that all agriculture, state-owned and private alike, was the same thing and all sectors were therefore given the same rights and responsibilities.

A combined session of the PZPR and ZSL leaders passed a resolution in 1983 that guaranteed the permanent status of private agriculture. This decision confirmed the ancient Roman expression of "primum vivere, deinde philosophare" (one must first live and then philosophize). Decisions were also made to allow private farmers to draw retirement pensions without turning their farms over to the state and to give them the same health care as persons employed in state-owned enterprises. The figures in table 3 show the three principal indicators (net agricultural production, net production of agricultural goods pure net production) for agricultural production and economic efficiency per hectare of farmed land.

The information in table 3 shows the unquestionably greater efficiency of private agriculture.

Therefore, the government as well as society came to a more positive attitude toward private agriculture and this was reflected in the mentioned laws.

The acknowledged principal factor limiting any further growth in agricultural production is that industry cannot produce enough equipment to meet the needs of agriculture. Therefore, the production of mineral fertilizers, lime, magnesium and chemical plant protection agents has been too low. The next most important factor has been a shortage of agricultural machinery and spare parts for tractors and machinery as well as a constant shortage of building materials and especially cement.

Another factor limiting any further growth in agricultural production and which in certain parts of the country is becoming a serious threat to private agriculture is the continuing phenomenon of family farms without heirs. To a considerable degree, this has become a problem because young farmers are unable to find wives due to the large number of rural women disinclined to do farm work and migrating into the cities.

Without women, family farms cannot operate effectively. When young future farmers cannot find wives to share the farm with, they too migrate into the cities to take any work they can and hopefully find a wife. This is a problem that gets worse with time.

In my opinion, there are two basic means of alleviating this problem. One of them is to develop the rural infrastructure to make it easier for women to remain in rural areas and the other is to increase the amount of

nonagricultural work for women in these areas by creating more jobs in local industry, services, health care and culture. Farming will become a man's profession. A rural woman must be a wife, mother, home-maker and make it possible for the husband to work on the farm.

Among the various branches and sectors of the Polish economy, I set out to find what could be called the country's No. 1 problem. Since I decided to use the criterium of how much income the given branch or sector contributes to the national income, my choice was agriculture which has contributed the most to the national income of our country. This was therefore a positive choice.

However, I also said that the No. 1 problem could also be found on the basis of a negative role that the given problem plays. I said that agriculture could be recognized as the country's No. 1 problem both for the positive role that this sector plays as well as the dangers it poses to feeding the nation. I pointed out, for example, that for such a problem, some people have been inclined to feel that the meat rations were too meager. Agriculture could also be justified as the No. 1 problem because of the too-low production of industrial means of production for that sector. Another reason would also be the lack of successors to take over farms within the private sector and the increasing migration of rural women into the cities.

These factors are internal problems for agriculture but none of them qualifies as a problem that affects the country as a whole.

Meanwhile, in recent years, there have emerged two great problems that affect agriculture and can also become Polish problem No. 1. At the same time, these are problems go beyond the borders of our own country because they are global in nature and are serious enough to qualify as world problem No. 1.

Another candidate for Polish problem No. 1 is destruction of the natural environment as well as man's environment by the chemical and power industries as well as by the discharge of communal wastes. Our atmosphere, soil and waters are being poisoned.

Another important problem is the fast rate at which our nonrenewable energy sources are becoming exhausted. Energy in the form of solid and liquid fuels has been accumulated on our planet through biosynthesis of stored solar energy as well as in the starting processes of the formation of our globe.

The dangers posed by industry and energy affect more than just the countries in which the sources of air pollution are located. In Switzerland, it is believed that it would be more effective and cheaper for that country to invest in air-protection technology not for their own industries but for those of other countries in Europe.

They feel this way because pollution is predominantly carried by winds into Switzerland from other European nations. The global character of this problem is also demonstrated by the fact that tree-kills in South America and the

Amazon River Basin are caused by SO₂ pollution of the air carried by winds across the Atlantic from Western Europe.

The second world problem is the exhaustion of nonrenewable energy sources. This problem affects Poland and the whole world. One might wonder whether these problems might not be Poland's No. 1 negative problem. It is also significant that if we are unable to solve these problems, they themselves might become the new Polish problem No. 1, namely a food shortage in our country.

Table 1. The Value of National Income in Current Prices

Year	All of industry, billions of zlotys	Agriculture, billions of zlotys
1980	1062.8	281.8
1981	909.8	613.5
1982	2387.6	851.7
1983	2967.9	1002.6
1984	3561.8	1162.8

Table 2. The Value of Generated National Income in Fixed Prices of 1982

Year	All of industry, billions of zlotys	Agriculture, billions of zlotys
1980	2763.3	711.0
1981	2360.9	720.7
1982	2253.8	756.2
1983	2284.0	794.7
1984	2511.5	837.2

Table 3

Item	Net agricultural production, zlotys per hectare	Net agricultural goods production per hectare	Pure agricul- tural pro- duction, zlotys per hectare
State agricultural farms	11,598	10,986	1878
Agricultural production cooperatives	9813	8360	2544
Farmer's circles	939	2670	12,107
Private farms	15,991	13,249	11,403

Source: Total, Final, Goods and Pure Agricultural Production in 1962-1980,
GUS. 1981 Information.

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INTERNAL SECURITY FORCES PRAISED FOR ACHIEVEMENTS IN AGRICULTURE

Warsaw CHLOPSKA DROGA in Polish 14 Dec 86 p 4

[Article by E.G.: "Soldiers for Agriculture"]

[Text] At the Ministry of Agriculture, Forestry and Food Industry, Minister Stanislaw Zieba praised officers and soldiers of units of the Internal Affairs Ministry [MSW] for their work in agriculture. They were decorated with the ministry medals "For Service to Agriculture" and "For Service to Forestry" and the Janek Krasicki Medal. Internal Affairs Minister Czeslaw Kiszczak participated in this meeting.

Here are the achievements of the MSW military units.

In 1986, The Military Farm of the Vistula MSW Military Units in the Bieszczady Mountains sold 681 tons of livestock, 70,000 liters of milk, 4600 kg of wool and 820 kg of fish.

The number of livestock raised per 100 hectares of land was 140 cattle, 63 sheep and 18 hogs.

In plant production, the yield was 2,240 kg/hectare of four different grains (total of 855 tons) and more than 10 tons/hectare of fodder from fixed vegetable assets [trwale uzytki zielone].

Last year, a total of 593 hectares were recultivated and managed (269 hectares for the Military Agricultural Farm and 324 for the Igloopol Industrial Agricultural Complex). The value of the realized work was 870 million zlotys.

It is planned that about 1500 hectares (about 1000 hectares for Igloopol) will be recultivated and managed.

For the state, other MSW military units sold a total of 660 tons of livestock with a value of 113 million zlotys and 45.5 million zlotys worth of crops. In addition, 300 hectares were trees were planted, 2325 hectares of land were cleared (and yielded 10,8000 cubic meters of lumber), 1566 hectares of land

were farmed, 53 kilometers of enclosure were built around tree plantations and 300 cubic meters of timber were cut.

In 1987, this sort of work will be carried out in 19 provinces.

Furthermore, comprehensive recultivation work will be carried out at the Dubeniki State Agricultural Farm (Suwalki Province). A total of about 7100 hectares will be worked.

In 1986, several hundred troops removed stones from 700 hectares of fields, cleaned out 7 kilometers of irrigation ditches and built three kilometers of farm roads. Several thousand troops will be working for the Dubeniki State Agricultural Farm in 1987.

Much agricultural work was also done by employees and officers of the provincial internal affairs bureaus. In 29 provinces, 60 ponds with a total area of 274 hectares were built or rebuilt at a total work value of 16 million zlotys (70,700 man-hours). Six ponds with a total surface area of 35 hectares were completed. In 11 provinces, 18 million zlotys (79,000 man-hours) worth of recultivation work was done at various small sites and in 7 provinces, agriculture was assisted by other projects, the value of which was 2.6 million zlotys (9600 man-hours). The total value of the above work was 36.6 million zlotys.

This work will be continued in 1987.

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FOOD EXPORT, IMPORT SITUATION REVIEWED IN ZSL ORGAN

Warsaw CHLOPSKA DROGA in Polish 14 Dec 86 p 1

[Article by Anna Turska: "Food Export-Import -- What We are Selling and Buying"]

[Text] Foreign trade in the food industries and therefore agriculture, food processing and forestry, may not be a cause for pride but some satisfaction has been attained. Our foreign trade in food does not compare well with that of other sectors of the economy but let us not reproach others for their successes.

The Central Annual Plan assumes that the balance between exports and imports to the first-payments area (the socialist countries) will be positive and that we will make a total of 90 million rubles. On the other hand, in our trade with the second-payments area (the countries with which we conduct our trade in dollars), we will import 90 million dollars more than we export and will therefore have a trade deficit.

Our agricultural trade temporarily slowed down in May and June but later returned to normal levels so that we are now exporting almost according to plan. In spite of these difficulties, the value of export after three quarters is one percent higher than it was at this time last year. Were it not for the dead period of June, the increase would certainly have been greater. However, if we compare the same periods in our trade with the socialist countries, our results this year have been about 19 percent better. We sold more marine fish, frozen foods, beer, potatoes and seeds.

We sold more rape, meat, ham and pork shoulder, potato flour, beef and seed-potatoes to the capitalist countries than last year. However, less horsemeat, spirits, frozen foods, horses, dressed poultry, canned meat and sausage were sold for dollars.

In Eastern Europe, there was a good harvest of fruits and vegetables and this has lowered the demand for our frozen goods but our merchants feel that the trade will pick up in the last few months of this year. The demand for

horsemeat has fallen in Italy and France, our chief buyers, and many transactions failed in May.

What Are We Exporting?

Last year, the export of food and agricultural products was a large part of our total exports. The sale of food products earned us 3.5 percent of all rubles gained from foreign trade and nearly 15 percent of the dollars earned. One-sixth of all the dollars gained by Poland came from agriculture and food processing!

We export a very large group of agricultural and forestry products. This includes various types of meats and meat products, butchered stock, boars and livestock. Our meat is exported only for dollars. We have had permanent buyers for years, we offer good products and thanks to that we have even lasted on the American market.

Meat export has of course become a negative legend for the public. Many citizens standing in line to buy rationed meat think that if we stopped exporting meat the stores would all immediately fill up and everyone could eat ham and bacon to their heart's content. Nothing could be less true. If we did stop exporting meat, everyone would then receive 20 decagrams more per month or just little more two kilograms per year and the state would receive about 200 million dollars less which is the same amount we spend on the import of coffee, tea, cacao, rice and edible vegetable fats.

We export spirits, beer, rape, potato flour and food concentrates, frozen foods, fresh fruits and vegetables, canned fruits, seed material, potatoes, seeds, fish, sugar products, rape oil-meal and malt to countries of both the first- and second-payments area.

We sell meat and meat products, cows, sheep and horses for slaughter, rabbit meat, boar meat, live game, poultry, feathers, down, sugar, rape oil, rye, dehydrated skimmed milk, casein, cacao fat, molasses, dried chicory, hops, tobacco, pine timber and particle board only for dollars.

There are great differences between the amount of goods exported and the money earned from this trade and ranges from 40,000 dollars for 1000 tons of potatoes to 112 million dollars for 125,000 tons of marine fish.

Our best export dollar income is produced by marine fish followed by hams and pork shoulders, particle board, pine timber, rape, horses for slaughter, beef cattle, sugar, frozen foods and spirits.

At the same time, Poland receives the most export rubles for fresh fruit and vegetables, canned fruit, frozen foods, seed material, spirits, potatoes and beer.

I would like to add the curious fact that we have sold sheep for slaughter this year at even higher prices than ham or pork shoulders. Mutton lovers pay a lot but only for the sort of good quality meat that we are exporting. This year's price increase was above all the result of better quality. The lamb breeders are to be praised for that.

What Are We Importing?

A self-sufficient food economy does not mean one independent of any outside sources. It is just another fairy-tale that we can produce everything for ourselves without relying on any imports. Without hard wheat, we cannot make good macaroni and without fine-quality sweet oils, we cannot produce good margarine. We would not manage very well without coffee, tea or rice. We are also unable to produce sufficient quantities of high-protein fodders indispensable for fattening our livestock.

We need dollars and rubles not only to pay off our debts but also for the purchase of many products needed by the economy in general, not to mention the consumer market. Therefore, we must plan to make the least amount of necessary purchases for agriculture. Without any imports, we cannot conduct export trade nor can we intensify imports or have a normal market.

According to our agricultural and food import plans, we will have to spend 240 million rubles and 960 million dollars this year. Our ruble imports generally proceed according to plan and we even manage to save a little money. We exceed our ceiling on dollar imports somewhat and although we have economized on certain products, we have also bought more of others.

For example, we planned to buy animal fat from abroad for dollars. However, our domestic production turned out to be sufficient for our needs and this has allowed us to stop purchasing this commodity from abroad and therefore save 10.3 million dollars. We bought more coffee and tobacco than planned. Despite the fact that we have spent millions of dollars to purchase coffee, it is still in short supply in our shops. That is a costly habit.

Our imports of consumer goods such as butter, coffee, tea, tropical fruits and spices are higher than a year ago. At the same time, however, we are importing less grain, high-protein feed, crushed meal, fish meal and chemical feed additives. Domestic production of fodder and especially of high-protein wheat, is growing and this has made it possible to gradually cut back on imports. However, we have still not managed to find anything we can substitute for high-protein grain extracts and there is therefore no way we can avoid importing this necessary product. Over a period of three quarters, we have spent only twice as much for crushed meal and oil-cakes as for coffee. was a costly that, there is still a shortage of coffee i our shops exceed it somewhat. Hogs cannot talk and are not complaining that they get too little protein and can only protest by not gaining weight as fast as we would like.

What Now?

We dream of returning to the times before 1973 when we made money from our trade in food and agricultural products with the dollar countries. We were not at all exporting any more than now but we imported less. We later started to import more fodder and grain which eventually amounted to more than 50 percent of our total agricultural imports.

Our trade deficit started in 1974 with a sum of 200 million dollars and reached a level of two billion in 1981! Since 1982, our purchases of grain and fodder have systematically diminished and we are presently buying four times less than we were at the end of the 1970's.

Our dollar trade balance is still negative and if we are to change that, we must increase foreign purchases of our agricultural products.

Our agricultural export trade cannot be random or limited just to the sale of surplus products according to the weather, how much we have harvested or our mood. Therefore, export agricultural production must be planned from the very start. It must be selected, processed, packaged and advertised in the best possible way. The competition in the field of agricultural trade is great and great effort is needed to make it onto the western market and stay there. However, it cannot be said that we do not have any chances for more agricultural export trade.

Cattle for slaughter and meat can be sold in limited quantities in the Common Market and we must also find means of selling meat in Scandinavia and the Arab countries. Thanks to our trade with the latter, we have been able to develop a very profitable export of mutton.

We sell too little fresh-water fish. Our production is increasing but aside from the customary Christmas carp, we seldom have fish on our daily menu. That is not because we do not like carp or trout but because the prices are too high.

However, fruits and vegetables remain our largest and best trade commodity. Our apple concentrate is in great demand and we are increasing its production for export. It is good that we are doing so because the demand will not remain so high forever. Other countries are also trying to sell apples but we can take comfort in the fact that their quality is worse.

Potatoes are also an unexploited export commodity. Raw potatoes themselves are not that profitable because their sale fluctuates a lot in relation to the harvests, weather, etc. Our best prospects lie in the sale of potato products such as frozen french fries. However, for this we need a well-developed potato industry.

Seed material, rape, ducks and geese and still many other products can be sold for export. Our agriculture is in a position to produce many good export products. They only need to be processed and attractively packaged, efficiently transported and marketed by good businessmen. You can sell anything if you find a buyer.

NEW POULTRY RAISING TECHNIQUES HELP CONSERVE FEED GRAINS

Warsaw GROMADA ROLNIK POLSKI 11 Dec 86 in Polish p 9

[Article by A. Konarkowski, the Central Poultry Research and Development Center, Poznan: "New Technology for Egg Production"]

[Excerpts] In Poland, the farm production of eggs has long depended on a yearly cycle of using laying hens fed with full-portion feed mixtures containing wheat or barley. The work carried out at the Central Poultry Research and Development Center [COBRD] in Poznan has made it possible to establish the principles and a detailed program for a new technology of using laying hens. This cycle is based on a two-year cycle of hen use combined with a program of isolating the chickens after their first year of life and feeding them full-portion feeds with a high content of rye or triticale as a full or partial substitute for wheat and barley. More profitable egg production and above all the possibility of saving a considerable amount of feed needed in the 5-month period needed to raise chickens were the chief reasons that the author undertook his research on isolating chickens and using them for two years.

Properly conducted isolation of chickens under the given principles guarantees profitable and high egg production in the second egg-laying period for at least 8-10 months of use.

The amount of rye or triticale in DJ-1 feeds used during the laying period while maintaining the given of chicken is practically unlimited. These grains can successfully substitute both corn and wheat or barley. In the latter case, triticale or rye considerably improve the nutritional value of feeds by substantially lowering the amount of indigestible fiber.

The use of rye or triticale in feed for laying hens does not in any way hurt production (fecundity, degree of feed utilization, constancy of egg-laying). A series of experiments also did not indicate any negative effect by rye or triticale on egg quality (egg white and yolk quality, taste, color and strength of egg shell).

12261
CSO: 2600/278

MORE EFFICIENT USE OF POWER URGED

Sofia NARODNA ARMIYA in Bulgarian 12 Nov 86 p 3

[Article by Engr Veselina Zheleva, chief specialist in State Inspectorate for Power Control: "Efficient and Rational Power Use--Future Lies in Introduction of New Capacities, Technological Updating and Economies in All Areas"]

[Text] Per capita electric power consumption in our country already amounts to 5240 kwh. In respect of this indicator we rank among the most advanced countries in the world. But we must at once emphasize here that the amount of power consumed is a measure of our economy's development rather than of the efficiency of power consumption. The criterion today is not how much energy is expended in all, but how it is used, what output is produced with it.

Data of recent years show that the trend towards a decrease of power input per unit of national product is a basic indicator of the efficiency in the power policy of the particular countries. This means that our attention will continue to be focused on the accelerated introduction of technologies that will elevate efficiency in power production and power consumption, as the decisions of the 13th BCP Congress prescribe.

A basic thrust in the development of the power industry will continue to be the adoption of Bulgarian technology for the direct combustion of low-grade Bulgarian coal and the production on this basis of electric and thermal energy. We shall continue the accelerated construction of the atomic power industry, which will retain its leading position in the country's overall power budget. With the commissioning of the unique 1000-megawatt VVER [water-moderated water-cooled] atomic reactor at the Kozloduy Atomic Power Plant we have already entered upon a qualitatively new stage of atomic power development. It has a much improved technology and technological solutions, better design and far greater capacity than the existing ones. The efficiency and reliability of Bulgaria's electric power system will also rise with the commissioning of the Chaira PAVETs [Pump Storage Hydroelectric Plant].

To be sure, the existing capacities cannot be completely updated in a short while. Therefore, most of the existing capacities will continue to operate and it is here that the efforts of specialists and operational personnel are focused for their improvement.

In the elapsed years of the Eighth 5-Year Plan the economic approach was expanded as a means of realizing fuel and power economies. Special-purpose national and sectorial economy programs were formulated and are being carried out. These are reported on every year and augmented with new targets. The advanced experience of the USSR and other CEMA-member countries in efficient power consumption is being studied and applied. In a number of power-intensive production processes of industry manufacturing methods are being improved, better use is made of thermal and fuel wastes, the efficiency factor of power equipment is rising. Our power industry faces a number of unsolved problems resulting from the rise in the efficiency of power consumption. Analysis shows that in many activities there are latent reserves in the more efficient use of electric power. Regulated conditions of electric consumption have revealed some of these reserves. Despite the great difficulties electric power consumption was down 1.16 billion kwh, while national income increased 1.8 percent. In nine months of 1986 the growth of electricity consumption for industry is negligible--0.4 percent (in comparison with the same 1985 period), and the growth of produced output was 4 percent more. This indicates both better organization and a more conscientious attitude towards this problem in our economy.

Aside from the progress that has been made, we must observe that there are also many problems relating to power efficiency. The latent reserves from better thermal insulation of available housing are still not utilized. Although standards have been reworked and requirements raised, conditions have still not been created for their full enforcement. Modernization of the production of structural elements with improved heat-insulating qualities is progressing at a slow pace. The production of modern lighting fixtures and economical electric appliances is not being mastered to an adequate extent, either. The introduction of large-scale measures for the utilization of thermal and fuel wastes in metallurgy, machine building, agriculture, etc., is lagging behind. Likewise inadequate is the equipment for the measurement, monitoring and control of power consumption.

As is known, solution of the principal problems of our country requires additional resources. As a result, the decisions of the 13th BCP Congress set the task of fundamental changes in the technologies previously employed in the structure-determining sectors, through the introduction of our own developments and technology transfer from and integration with the USSR and the fraternal socialist countries.

Once more we are on the threshold of a new autumn and winter period. Instructed by the bitter experience of the autumn of 1984 and the winter of 1985, we have begun preparations early this year for meeting it. The equipment repair program has been fulfilled for the most part not only in the power plants, but also in the heat-transfer, power-transmission and distribution systems. Preparation for winter is also under way in industry. But we must not rest easy now. New production capacities will not come into operation and the only way of guaranteeing a reserve for critical moments is a conscientious attitude towards power consumption. The regulations must be precisely observed not only in industry, but also by individual citizens. We must not regard power as an inexhaustible source, but appreciate its importance. It is very precious for

the state, and everyone of us can surely appreciate how much any disruption of the power supply will cost us.

Everybody must now show his understanding of the country's power problems. All our people need this. The scientific and technical revolution could not take place without a "revolution" in the awareness of economical fuel and power use.

6474

CSO: 2200/29

CAUSES FOR EXPLOSION IN METALLURGICAL PLANT DISCUSSED

Sofia POGLED in Bulgarian 17 Nov 86 p 4

[Article by Barukh Shamliev, POGLED economic commentator: "Alarming Publicity"]

[Text] On 4 September a fatal accident occurred in the Kremikovtsi Metallurgical Enterprise. Six workers--four women and two men--burned to death like torches in a tank in the cold rolling shop.

It had been ascertained that the acid tank was corroded. The decision was made to repair it--first the outer coat had to be removed and then the six-member team would enter the empty tank to remove the old coat and apply the new one. There was a strict drill for each phase of the job because the work was done under hazardous conditions. It was prescribed that work inside the tank should be done in boots and with masks, and the electric light bulbs should be fail-safe lest any short circuit should cause a fire or explosion. Provision was made to force in fresh air continuously by means of a fan. It was mandatory that during such work a firefighter and a person from the gas rescue station should be posted. But none of this was done. The light bulbs were the ordinary kind. Instead of clean air, . . . oxygen was forced into the tank with a hose. During this time neither a firefighter nor a gas-rescuer was posted. Everything led inexorably to the fatal conclusion. And it occurred.

In the event, the pressing questions are: What are the reasons and who are immediately to blame; what measures are being taken to prevent similar cases, the more so as the present fatal accident at Kremikovtsi is the 10th in a row this year.

I talked with many people. All acknowledged that publicity is needed for an airing. It is a point of departure for reorientation.

Weeks after the disaster I also attended a session which took up the case. Among those present were the chief director of the Ferrous Metallurgy Combine, A. Markov; the director of the L. I. Brezhnev Metallurgical Enterprise, G. Kharizanov; the labor safety chief of the Central Committee of BPS [Bulgarian Trade Unions], S. Spasov, et al. There was no worker from the cold rolling shop.

The discussion was self-critical. But even the victims of the disaster themselves were not blameless for what happened, they say. The L. I. Brezhnev Enterprise was in such a state that if the responsible officials were to be punished, great repercussions would result. Should Engineer Spasov, who was responsible for labor safety procedures, be punished? Yes, he should. It was suggested that he be removed from his position for three months, but continue to perform his functions, for the managerial personnel situation was so unfavorable. (This "suggestion," too, was against the law.)

I talked also with the chairman of the City Trade Union Council, N. Nedyalkov. In his opinion, publicity was uncalled for here. What, other than sensation, would we achieve with such an article? He advised me not to involve myself with the question since it would be looked into.

In the opinion of Chief Director G. Kharizanov the case of the tank is not logically explainable. No risk factor had any part in it, nor did it involve the outlay of capital investment. It turned solely on the nonobservance of discipline by everybody—from the shop chief to the rank-and-file worker.

To be sure, the investigation and the court will have the "last word." Still, how would the next legal case be decided: Say that a driver while on the job runs into a group of workers with his vehicle, as a result of which six of them are killed! What should the procedure be in such case? Answer? The answer is that the investigation consists in the establishment of blame and submittal of the conclusion to the public prosecutor. The court will have its say. But the example is not quite identical with a labor safety violation. In production, both the workers and the managers may be at fault. The disaster was widely publicized at the metallurgical enterprise; the workers are familiar with the measures that are supposed to be taken. In such case, what more? Would not writing about it in the newspaper only reopen old wounds?

The responsibility for the state of labor safety procedures in our country is not a personal matter of the workers, but first and foremost of the economic organizations. Publicity about these cases is most shunned by those who bear the moral and financial responsibility for labor safety procedures. Labor safety procedures are an element of socialist administration; they are an embodiment of socialist democracy and its humanism. The law cannot be enforced according to expediency; neither must the publicization of labor safety violations be a matter of opinion dependent upon whether or not it is advantageous. Avoiding publicity is tantamount to dodging social control, for which publicity in a limited plant circle cannot be substituted. The campaign against indiscipline and carelessness entails true-to-life information about them.

Yet in the event publicity has been hushed up over the years. In my opinion, the main responsibility not just for this disaster is that the means that are provided for labor safety procedures in metallurgy are not fully used. It is precisely because the metallurgical enterprise is not a candy factory and the risk factors there are much greater that these insinuations are unacceptable. Truth is truth! But to improve production conditions in candy factories, relatively pennies are provided as compared with the millions in metallurgy. And when these are not fully utilized, then the trouble lies not in the funds, but

in the underestimation of far more important things, and the present publicity at the enterprise regrettably is repeated, as after every major disaster. Appeals and suggestions are launched; "measures" are projected that are not implemented; and once more work continues on the razor's edge. Everybody says, "We must." Everybody knows how. But everybody continues to do it in accordance with the outworn maxim of "tying up the plan" [da vurzhem plana]. And there is no change. On the contrary, such a strategy prevents seeing the adverse consequences of conflicts that are building up, which means averting them. From workers I heard hard and bitter words, that at Kremikovtsi a higher value is placed on metal than on human beings. This is exaggeration resulting from the grief for their comrades. But a different question also arises: Does not this bitterness result from the imbalance between materials-and-machinery and social priorities. Is this not one of the reasons for the turnover among metallurgists, for the lack of new replacements, etc.?

It is known that some of the machinery here is obsolete and physically worn out. The repairs that have been made represent more patchwork. Hence, too, the increase of risks in work at the enterprise. Specialists in responsible positions have even proposed in writing that important shops be closed down until they are modernized. Certainly this request is maximalist, but it also indicates the extent of their concern.

How urgent this concern is is indicated by the fact that recently a plenum of the party city committee adopted a long-term program for the scientific-and-technical and socioeconomic development of the L. I. Brezhnev Metallurgical Enterprise up to 1990. Yes, the "iron city" of Bulgaria needs great concern, attention, and the love of all its people. It has received them and will continue to receive them. The mass information media, including POGLED, are participating in this process, too. (The latest major article on ambitions for change at Kremikovtsi was in issue 33.) But when it is a question of the 10th fatal disaster in a row this year due to nonobservance of labor safety procedures which, as Georgi Dimitrov has said, must take precedence over all other measures in the organization of production, limitation of alarming publicity to the circle of the enterprise and the specialists in responsible positions is in the interest of neither the enterprise nor society.

6474
CSO: 2200/29

ACUTE SHORTAGE OF TIRES DEPLORED

Sofia KOOPERATIVNO SELO in Bulgarian 16 Dec 86 p 2

[Article by Mikhail Kotlenko, KOOPERATIVNO SELO special correspondent: "Still None To Be Had--Every Year 1 Million Fewer Tires Produced in Our Country--Trial Way-out of Impasse"]

[Text] Vidin--Talk about the lack of tires supplied in our market has become a bore to everybody. But it has produced no more tires. The happy time is long since past when we believed that we should no longer have to give a thought to tires after the commissioning of the Vidin plant. Unfortunately, "shoes" for agricultural equipment have become quite tight. Tractors, heavy trucks, light trucks and passenger cars to one extent or another are simply "crying" for tires. "The question has several aspects," explains the deputy marketing director of the Vidin Chemical Combine, Yordan Rachev. His words are not optimistic. He believes that no matter how much the Vidin and Sofia plants work, full satisfaction of the market for tires will not be achieved. I told him about the anxiety of many tractor operators about large tractor tires. They are still to be found but, unfortunately, only casings. As for inner tubes? Again we have to shrug our shoulders. Their production requires great precision and, for the moment at least, neither Vidin nor Sofia is in a position to produce them.

What then? Imports! But imports of inner tubes are not fully provided for, with the result that sometimes they are to be had, sometimes not.

Last year the Vidin plant celebrated its 15th anniversary. But it is hardly very easy to dwell on its successes. All the more so since this anniversary compels a not particularly optimistic finding. Its tire production technology is hopelessly obsolete. Even 15 years ago it was hardly completely up-to-date. At any rate, what one sees in even a quite cursory tour of the shops is that the work is done by hand. Not that there are no machines. But so much manual labor is invested that you begin to suspect you have ended up somewhere at the beginning of the century. The capacity potentialities of the machines have been utterly wrung out. What years ago was a day's norm now has to be done almost three times as fast. But the machines are already worn out. You can guess what the quality of the tires they produce is.

It would not be fair to say that the combine is doing nothing to change. Albeit with difficulty, there are efforts to outfit the tire plant with new, more up-to-date equipment. Whether this can be done in the speediest and completely right way is a different question. Matters come down to this: while a modern tire production line is being introduced, so much time elapses until it begins to operate that we shall have grounds again to speak of its obsolescence.

But the lack of machines is only half the problem as well. The Vidin plant has a subcontracting arrangement with the Stara Zagora Chemical Combine, from which it obtains tire cord. Nobody talks about quality any more, about having this cord and this cord only and that without it tire production will come to a complete halt. Only a month ago the chemical combine was undergoing repairs. No caprolactam was delivered to Vidin. It had to be imported. But no imports were provided for. . . It is clear why now the work on tires is going fast in the plants and why there is not all that care about their quality. The tractors and vehicles are still waiting. . . For them the situation is being patched up somehow or other. But as for passenger cars, the deputy director is frank--the tires produced in our country will not be able to meet even half the need! There are still imports, but they, too, decline with every passing year. So again we have to look for the solution ourselves.

Let us not be altogether pessimists. This solution is very difficult, but not impossible. Complete reequipping of both tire plants with new and up-to-date machinery must start. And this means that money is needed.

Something else, too. It is time to resort to the great reserve of reclaimed rubber. On this score disputes have waged for years over who is supposed to do it, who will collect the tires, who will provide the raw and other materials, transportation, etc. During this time other countries much richer than we have reclaimed twice the tires for passenger cars and up to three and even four times the tires for heavy means of transportation!

Coming back to inner tubes for agricultural machinery. They are certainly difficult to make, there is no disputing. And still, how can we not solve the questions of a production process which originated 100 years ago?

6474

CSO: 2200/29

BRIEFS

JOINT BULGARIAN-SOVIET ENTERPRISES--The Economic Council yesterday signed an agreement for the establishment of a joint Bulgarian-Soviet trust for diesel-engine fuel apparatuses and a protocol for continuation of the agreement on specialization and cooperation in tractor and farm machine building between Bulgaria and the Soviet Union. These documents contain promising possibilities for widening and deepening cooperation in the production and reciprocal supply of high-efficiency reliable field machinery. The documents were signed by the minister of tractor and farm machine building of the Soviet Union, Aleksandr Yezhevskiy, and by the deputy chairman of the Economic Council, Krusty Stanilov. Also approved were treaties for the establishment of direct relations between the Karlovo Tractor Combine and the Minsk Tractor Plant, between the Plovdiv Optics and Laser Equipment Combine and the Aprelevka Instrument Scientific Production Trust, between the Georgi Dimitrov Plant in Ruse and the Berdyansk Harvester Production Trust, and between other enterprises of both countries. Present at the signing was Ognyan Doynov, member of the Political Bureau of the BCP Central Committee, deputy chairman of the Council of Ministers and chairman of the Economic Council. The Soviet ambassador to our country, Leonid Grekov, was also here. [BTA] [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 13 Dec 86 p 6] 6474

CSO: 2200/29

OCTOBER 1986 ECONOMIC RESULTS SUMMARIZED

Prague HOSPODARSKE NOVINY in Czech No 48, 1986 p 2

[Commentary by Engineers Marie Hormannova and Alena Polakova, Federal Statistical Office, under the "Information on Plan Fulfillment" rubric: "October 1986"]

[Text] From the beginning of the year through October, the annual state plan's fulfillment developed as follows: gross industrial output, 83.0 percent; volume of construction work in place that the construction enterprises performed with their own personnel, 83.0 percent; procurement of slaughter animals (including poultry), 83.6 percent; total import (at prices f.o.b. border), 78.4 percent; total export (at prices f.o.b. border), 79.3 percent; and the main trade systems' retail turnover, 80.8 percent. (It should be noted that the number of workdays in October was the same both years; but in January through October there was one workday fewer this year.)

In industry, the gross output's growth was faster in October, and also during the first 10 months of this year, than what the annual state plan calls for. Gross output rose by 2.9 percent in October over the same month last year, and by 3.1 percent in January-October over the same period last year (the average daily output rose by 3.4 percent). The industrial gross output produced during the first 10 months totaled 699 billion korunas. The highest growth rates were reported in heat and power generation, general engineering, and the pulp and paper industry.

In the economic plans of the enterprises, fulfillment of gross output was 100.2 percent in October, and 100.4 percent from January through October. The number of enterprises reporting shortfalls was 261 (or 30.0 percent of their total number) for October, and 271 (or 31.1 percent) for the first ten months. Which means that the number of such enterprises increased over the same period last year.

The January-October plan for commodity production was overfulfilled slightly (by 0.2 percent), although there were shortfalls in the planning subdivisions of light industry (except in the printing industry), and in the woodworking and electrotechnical industries. Fulfillment of the annual plan for commodity production was 82.8 percent.

Basic Indicators of National Economy's Development in October 1986.
Increases Over Comparable 1985 Period (in percent)

	<u>Oct</u>	<u>Jan- Oct</u>	<u>State plan¹</u>
Centrally Administered Industries			
deliveries for:			
- investments, at wholesale prices			-7.0
- domestic trade			
at wholesale prices	.	2.5	1.8
at retail prices	.	2.2	2.7
- export to socialist countries			
at wholesale prices	.	3.7	3.2
at f.o.b. prices	.	3.8	2.1
- export to nonsocialist countries			
at wholesale prices	.	1.4	6.0
at f.o.b. prices	.	-4.0	2.0
- other sales for productive consumption and operations, at wholesale prices	.	1.5	.
volume of industrial production (at 1 Jan 84 prices)	2.9	3.1	2.6
average number of employees	0.4	0.5	0.7
labor productivity based on gross output	2.5	2.5	1.9
Construction			
construction work performed with own personnel	-0.6	2.4	2.9
average number of employees	1.5	0.6	1.1
labor productivity on construction's basic output	-2.0	1.7	1.8
housing units delivered by contracting enterprises	14.8	-11.5	-26.0
Procurement			
slaughter animals (including poultry)	2.7	0.2	-0.5
milk	2.5	1.4	-2.0
eggs	0.4	-0.7	0.1
Retail Turnover			
main trade systems	2.4	2.7	2.1
Foreign Trade			
export to socialist countries	.	3.2	-0.1
export to nonsocialist countries	.	-5.4	-2.1
import from socialist countries	.	4.1	1.4
import from nonsocialist countries	.	9.4	9.7

1. Relative to actual 1985 results.

In the output of the more important industrial products, the January-October economic plans were exceeded. Overfulfillment was the most pronounced in the mining of brown coal and lignite, and in electric power generation.

Adjusted value added in industry increased by 4.8 percent in January-October over the same period last year, and fulfillment of the economic plan for that period was 99.0. Fulfillment of the plan for the first 10 months was low primarily in light industry, and in the chemical industry as a whole. The

number of enterprises reporting shortfalls increased. In January through October, the number of enterprises that failed to fulfill their economic plans for adjusted value added was 346 or 31.4 percent of the total number of industrial enterprises.

In both October and January through October, labor productivity based on gross output rose faster than what the annual state plan calls for. Labor productivity in industry, based on gross output, rose by 2.5 percent in October and in January-October as well; the state plan for 1986 anticipates a growth rate of 1.9 percent. Based on adjusted value added, labor productivity in January-October rose by 4.3 percent.

In sales of the industrial output, deliveries to all the principal destinations, with the exception of deliveries for export to nonsocialist countries, exceeded the January-October economic plans. At wholesale prices, the deliveries for export to nonsocialist countries fell short during this period at 257 enterprises, which is 42.1 percent of the enterprises making such deliveries. Among the other principal destinations, overfulfillment was the most significant in the case of deliveries for export to socialist countries, at prices f.o.b. border.

At the enterprises for which deliveries of the industrial output have been set as mandatory indicators of plan fulfillment, however, fulfillment of the tasks was more even, although the enterprises making deliveries for export to nonsocialist countries fell short of their January-October planned tasks.

In construction, the October decline (by 0.6 percent over October 1985) in the volume of construction work in place that the enterprises performed with their own personnel slowed down further the growth rate of output in construction: to -2.4 percent, which is 0.5 percentage point lower than what the state plan calls for. In terms of the volume of construction work in place, fulfillment of the economic plan was 99.9 percent for October, and 100.2 percent for January-October. During the first ten months of this year, 89 construction enterprises, or 38.4 percent of their total number, failed to fulfill this indicator.

Adjusted value added increased by 4.7 percent from the beginning of the year. In terms of adjusted value added, fulfillment of the economic plans for this period was 100.6 percent, but 66 construction enterprises (i.e., one out of every four) failed to fulfill this indicator.

Based on the volume of construction work in place, labor productivity in construction dropped by 2.0 percent in October. But even so it showed a 1.7-percent increase in January-October; by comparison, the annual state plan calls for an increase of 1.8 percent. Based on adjusted value added, labor productivity rose by 4.0 percent in January through October.

The contracting construction enterprises delivered 5,127 housing units in October to the national committees, which makes 33,425 housing units delivered since the beginning of the year.

In agriculture, according to the bulletin of the Federal Ministry of Agriculture and Food, 1,511,000 hectares had been sown to winter grains by 10 November; this was 1.9 percent more than the area the state plan anticipated. The sugar-beet crop on 4 percent of its area had yet to be harvested. The progress in autumn plowing was better than in recent years.

The October procurement schedule was exceeded for all principal livestock products. Overfulfillment was the most pronounced in the case of milk and slaughter poultry. Total procurement during the first ten months, in comparison with the same period last year, was down by 455 metric tons of slaughter animals, up by 4,000 metric tons of poultry and 71.5 million liters of milk, and down by 17.7 million eggs.

The volume of freight hauled by public carriers in October was down this year by 0.1 percent. This includes a 2.0-percent drop for the CSD [Czechoslovak State Railways] and a 4.6-percent drop for inland navigation, but a 1.5-percent increase for the CSAD [Czechoslovak Motor Transportation]. Fulfillment of the public carriers' October economic plans for freight transportation was 101.6 percent (including 100.9 percent for the CSD, 102.6 percent for the CSAD, and 92.1 percent for inland navigation).

The January-October freight volume increased over the same period last year by 1.7 percent. This includes increases of 1.4 percent for the CSD, 1.7 percent for the CSAD, and 7.1 percent for inland navigation. Fulfillment of the public carriers' January-October economic plans for freight transportation was 101.0 percent (including 100.6 percent for the CSD, 101.4 percent for the CSAD, and 98.5 percent for inland navigation). In terms of freight-car units, average daily carloadings increased by 1.7 percent.

In domestic trade (at organizations of the main trade systems), the retail turnover in October totaled nearly 23 billion korunas, an increase of 2.4 percent over October last year. Fulfillment of the October economic plan for retail sales was 100.5 percent. The retail turnover was below its October 1985 level only at the Furniture Stores and the Coal Depots.

The January-October retail turnover of the main trade systems rose faster than what the 1986 state plan calls for. In comparison with the same period last year, the retail turnover increased by 2.7 percent during the first ten months (the annual state plan calls for a 2.1-percent rise). Fulfillment of the main trade system's economic plan for retail sales during the investigated period was 100.4 percent.

In foreign trade, commodity trade with the socialist countries developed faster than the state plan anticipates (the annual state plan's export to these countries was fulfilled 81.3 percent during the first ten months; and its import from these countries, 81.8 percent). In trade with the nonsocialist countries, especially export lagged behind the state plan.

Currency circulation on 31 October totaled 57.3 billion korunas, an increase of 3.1 billion over a year earlier.

1014

CSO: 2400/105

URBAN DEVELOPMENT TO REFLECT ESTHETIC, TECHNOLOGICAL ASPECTS

East Berlin ARCHITEKTUR DER DDR in German Vol 35, Nov 86 pp 646-647

[Article by Prof Dr Bernd Groenwald, vice president and director of the Institute for Urban Planning and Architecture at the GDR Academy of Architecture: "Research on Urban Planning and Architecture Confronted With New Tasks"]

[Text] Thirty-five years after the foundation of the GDR Academy of Architecture, the Institute for Urban Planning and Architecture is looking back on a historical development dating from 1951, when the Institute for Urban Planning, the Institute for Architectural Theory and History, and the Academy's master workshops were opened. At that time, the work of these institutions was closely linked to the focal points of socialist development and in various ways it shaped the early developmental stages of our country's socialist architecture. Further lines of tradition were formed, when in 1957 the Institute for Urban Planning was expanded and transformed into the Institute for Regional, Urban, and Rural Planning which in 1962 merged with the Institute for Architectural Theory and History to form the Institute for Urban Planning and Architecture; in 1966, this institute was once again strengthened and reorganized on the basis of capacities acquired from the former Typenprojektierung [Type Design] VEB.

Viewing the history of the GDR Academy of Architecture, one notes that since 1951 the development of the Institute for Urban Planning and Architecture within the framework of the Academy has been characterized by its dynamic response (in both research and architectural design and planning) to new social requirements and to problems concerning the development of urban planning and architecture in connection with consolidation of the socialist state and enforcement of the policy pursued by the party of the working class.

Considering the 35-year history of the GDR Academy of Architecture, one also perceives the historically concurrent programmatic framework concerning the practical application of urban planning and architectural science, i.e. the 16 Principles of Urban Planning which were passed in 1950. (Footnote 1) ("Principles of Urban Planning," DDR MINISTERIALBLATT, 1950, No 25, 16 Sep 50) These principles guided the reconstruction (decreed in 1950) of 53 cities and the subsequent stages of socialist urban planning and architectural development. At the same time, they greatly stimulated the discussion

concerning qualitatively new problems and requirements of socialist development.

In the mid-1980's, the social tasks confronting the Institute for Urban Planning and Architecture have led to a reorientation in regard to its projects, objectives, and scientific standards. The Institute's collective responded promptly to a new programmatic framework which was established in 1982 on the basis of the "Principles Concerning the Socialist Development of Urban Planning and Architecture in the German Democratic Republic" and which was further developed--as a result of the resolutions adopted at the 11th SED Congress and the 8th Architectural Conference--into an extensive social and urban development program intended to further advance the developed socialist society. (Footnote 2) ("Principles Concerning the Socialist Development of Urban Planning and Architecture in the German Democratic Republic," Resolution of the Politburo of the SED Central Committee and of the GDR Council of Ministers of 30 May 1982) (Footnote 3) (E. Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED" [Report of the SED Central Committee to the 11th SED Congress], Paragraphs III and IV, Berlin, 1986, pp 21 ff.) (Footnote 4) (W. Junker, "Die wichtigsten Aufgaben des Bauwesens bei der konsequenten Durchfuehrung der Beschluesse des X. Parteitages der SED und zur Vorbereitung des Fuenfjahrplanes 1986-1990" [The Primary Tasks of the Construction Sector in Regard to Consistent Implementation of the Resolutions of the 10th SED Congress and Preparation of the 1986/90 Five-Year Plan], Berlin, 1985, pp 9 ff.)

Regarding the focal points of its work, the Institute thus will have to concentrate on the main lines of social development in the GDR, on the economic strategy, above all the interaction between intensification of the production and reproduction processes and development of urban planning and architecture, and on the incident social, cultural and economic problems in architectural and urban development research.

The 51st Plenary Session of the GDR Academy of Architecture unequivocally linked the demands made on research in the fields of urban planning and architecture to the implementation of scientific-technical progress in the construction sector and to the changed reproduction conditions and the new technologies. It emphatically stated that "improvement of architecture's socioeconomic and cultural effectiveness through attainment of a high level of quality in urban development and architecture at markedly reduced cost" was the principal social mandate in regard to our further research work. (Footnote 5) (H. Fritsche, "The Primary Tasks of Architectural Research in the 1986/90 Period and in Connection With the Results of the 11th SED Congress" (report at the 51st Plenary Session of the GDR Academy of Architecture), BAUINFORMATION DDR, 1986, Supplement ("Bauforschung, Baupraxis"), pp 7 ff.)

It is of great significance that before the convention of the 51st Plenary Session the Institute's collective had managed to work out new guidelines for residential district planning and for long-term urban planning in the current work period, implementation of which will make great demands on the researchers and their interaction with planners and builders. (Footnote 6) ("Complex Guideline for Urban Planning and Development of Residential Districts

in the 1986/90 Period," Ministry for Construction, 1985.) As compared with their predecessors, both of these documents show a higher degree of complexity: Urban planning is viewed here as a complex, socioeconomically determined process that has to make allowance for sociocultural progress, development of a socialist way of life, the most efficient ways of reproducing basic construction assets and natural environmental conditions, and for the interaction between these individual factors.

The strong emphasis the 51st Plenary Session of the GDR Academy of Architecture has placed on implementation of key technologies in all fields of construction and all processes of construction preparation is bound to give rise to many innovations in construction and process engineering and it will greatly influence and change the creative work of the architects and urban planners. Similarly, stringent regulations concerning radical cuts in energy consumption in the production of building materials and the construction and utilization of buildings will influence construction work and architectural planning and thus produce far-reaching effects in regard to building design, decisions concerning floor plans and spatial arrangements, and urban development.

The researchers in the fields of urban planning and architecture thus are confronted with the historically inevitable task of redirecting the thrust of their work and of radically changing their methods and technologies and their interdisciplinary cooperation framework; specifically, this means they have to develop an exacting program for basic research oriented toward long-range objectives, a research program designed to draw on many other academic disciplines so as to identify the factors influencing architectural projects and to examine their effects on the development of architectural-spatial structures and on innovations in architectural design. Of great importance in this connection is the fact that it is impossible to give the builders advance notice of the availability of research results; rather, new solutions, processes, and methods derived from basic research will have to be made available to the designers and builders on an ad-hoc basis.

Thus, even today the urgent tasks formulated in our plans represent a challenge to science: Reduction of the input of energy, steel, and oil-based building materials and, at the same time, reduction of construction time and of social expenditures as a whole. These demands--coupled with higher requirements in regard to the utility value and design of our architecture--cannot be met by mere economy measures: To meet these requirements, qualitatively new solutions are needed in regard to both technology and design.

In the mid-1980's, a few years before the execution of historically significant architectural and construction projects intended to advance implementation of our country's housing construction program up to 1990, i.e. to solve the housing problem as a social issue, one notes that the view the people in our country take of architecture as a cultural element of the socialist way of life has changed considerably. The demands in regard to historical architectural heritage worth preserving have been raised significantly and the need for improvement of the social and spatial conditions necessary for development of diverse social activities and of a

socialist quality of life in the residential districts and at the work place is increasingly assuming a form apt to affect the society as a whole. These demands are challenging the architects, designers, and artists to find new solutions, to allow for more diversity, to experiment, and to develop--at a high level of economic efficiency--an environment distinguished by great complexity and esthetic appeal.

Implementation of these projects necessitates active participation of our citizens and a continuous dialog with them. In close collaboration with the social sciences, our research must focus on ensuring creative participation of all people, i.e. esthetically structuring activities in connection with the development of our architectural-spatial environment, and on the users' critical and evaluative attitude toward architecture itself. The Central Research Plan of the GDR Marxist-Leninist Social Sciences for the 1986/90 Period, which was published in August 1986, points out a great many specific subjects in the fields of urban planning and architecture and it plainly calls for collaboration--or rather, interdisciplinary cooperation. (Footnote 7) ("Central Research Plan of the GDR Marxist-Leninist Social Sciences, 1986-1990," EINHEIT No 8, 1986, pp 681 ff.) In the author's view, the key problems of scientific, interdisciplinary research in the fields of architecture and urban planning are comprised in the following three fields:

First: In the study of effective implementation of the reproduction process in connection with the main lines of socialist urban development on the basis of the basic economic law of Socialism and of extensive utilization of the advantages offered by scientific-technological progress (development of a practice-oriented theory of socialist urban economics);

Second: in the study of the main lines of our people's social and cultural development and of their needs in connection with the development of urban and settlement structures and the resulting consequences in regard to practical planning, investment control, and investment preparation;

Third: in the study of the historically determined change of esthetic values in the developed socialist society in regard to architectural space and architecture's esthetic modes of expression.

Elaboration of a theory of socialist urban development--as a basic element of Marxist-Leninist architectural theory, as it were--can now be said to represent a research project integrating the main lines of research in architecture and urban planning.

It is imperative, however, that we be mindful of the significance of research on architectural history and of the necessity to extend it on the basis of historical materialism. In my view, historical research is about to give up its centuries-old practice of presenting architectural history in the form of a descriptive, object- and person-related analysis of factors. Rather, adopting a historical-materialistic point of view, it increasingly presents itself as a historical process analysis studying social conditions, i.e. class relations as reflected in period-related architectural structures, in the means of design employed, and in the temporary cultural and socioeconomic values created. In regard to inner-city development in particular, it is

absolutely necessary to ensure a scientifically grounded, historically oriented position in regard to tradition and progress in architecture, in regard to accomplishing the practical tasks in the dialectics of old and new. Even now, our cities, kreises and bezirks [GDR administrative units] are in need of scientific data on urban history, historical development of structural and spatial types, and patterns of settlement. Furthermore, in regard to the approaching 40th anniversary of the GDR's foundation (1989), it is desirable that the appropriate institutions of our country coordinate their research on architectural history to produce a historical outline of the development of socialist architecture and urban planning in our country.

Basic research in the fields of urban planning and architectural theory has to be based on supportive planning, design and implementation experiments so as to ensure--through the dialectics of theory and empiricism indispensable to any kind of research--a sufficiently strong orientation toward practical concerns. In September 1986--as a result of the generous support for the reconstruction and reorientation of the Dessau Bauhaus by the GDR Government--the disciplines of architectural and urban planning research and industrial design obtained an ideal research and experimentation center that on the basis of workshops and advanced training provides direct and productive interaction between research and practice and thus will give new impulses to the creative design work going on in our country. Moreover, the great interest international observers are taking in the development of the Dessau Bauhaus in the GDR and the binding, progressive legacy of the Bauhaus itself are bound to exert a strong influence on the newly obtained working conditions.

For the researchers in urban planning and architecture, the very costly "efforts" of application--e.g. continuous verification of plan targets, indicators, space utilization analyses, design analyses, etc.--remain a high-priority concern. But it is precisely in this field that our research work is changing radically, and this change is fostered by international experience and work results. In this connection, one can safely say that if it is handled correctly, the application of computer technology in urban planning and research represents a revolutionary change of our work procedures. In regard to research and conceptions pertaining to urban planning, application of advanced computer technology allows complex analyses and process extrapolations; at very short notice, it produces efficiency calculations and throws light on complex interconnections. The (thus attainable) higher degree of optimization of the various factors affecting urban development and the visual, two- and three-dimensional reproduction of architectural-spatial models by means of computers and video simulation models represent new elements that facilitate the architects' design and planning work. To be sure, architectural and urban planning research in our country has not yet begun to employ these key technologies for architectural and urban planning projects. This applies also to the Institute for Urban Planning and Architecture. But what with the establishment of a department for methodology and information science, the first step has been taken and the computer is becoming a workaday tool in this field as well. It is of great significance that computers are presently being made available in bezirk and urban planning offices and in the combines of the construction sector. To support this process, it is necessary to make available the requisite scientific tools, i.e. software suitable for the specific conditions governing application of

computer technology in the GDR, and scientifically grounded and coordinated use strategies.

In 1985, the Eighth Architectural Conference of the SED Central Committee and the GDR Council of Ministers provided a guideline based on the highest international standard and concerning the development and application of CAD/CAM systems in construction projects and urban development and planning. (Footnote 8) ("Closing Speech of the Secretary General of the SED Central Committee and Chairman of the GDR State Council, Erich Honecker, at the Eighth Architectural Conference," op. cit., pp 163-174)

In terms of the time remaining, the scientists can no longer afford to discuss this new field of scientific-technological progress without taking action themselves. Rather, to step up their own effectiveness, increase their scientific knowledge and apply scientific findings, they must without any reservations use and improve this new technology. In collaboration with the bezirk architecture buros and other institutions and in accordance with the subject of its scientific work, the Institute for Urban Planning and Architecture will try to provide leadership, promote the exchange of experience, and in specific fields advance the computer-aided application of scientific findings in a demonstrative way. Regarding their own laboratories and requisite equipment (including advanced simulation and planning technology), the institutions involved plan to match international standards so as to be able satisfactorily to serve our partners at home and abroad.

It goes without saying that the above-described scientific projects can give new impulses to architectural and urban planning research only if they are directly linked to fields of practical application so that research is no longer concerned only with solving selected problems for demonstrative purposes, but is performed as contract work--in accordance with the resolution adopted on 12 September 1985 by the Council of Ministers for all scientific institutions of our country--for customers in various social sectors. Thanks to diverse projects of our bezirks and cities, all scientific departments of the Institute for Urban Planning and Architecture are called upon to contribute to the planning and implementation of the further socialist development of our cities and housing complexes. Thus, regarding certain key research projects such as the Berlin construction program up to 1990 and beyond, the Institute for Urban Planning and Architecture will draw on all scientific departments; it is also focusing on selected metropolitan and small-town areas all over the republic. Pertinent agreements are being prepared or have already been concluded.

Undoubtedly, the Institute's capacities are not sufficient for drawing from these selected problems generalizing conclusions concerning the diverse problems in the entire country. Consequently, we plan systematically to coordinate and concentrate the research capacities of the universities and the other scientific institutions on the key problems of architectural and urban planning research and, to this end, to expand the advanced cadre training, which presently is being carried out at the Dessau Bauhaus by the Institute for Advanced Training in Urban Planning and Architecture at the Weimar University for Architecture and Construction. During the years of preparation for developing the Dessau Bauhaus into a center of advanced training for

architects, urban planners, designers, and artists, it became apparent that international circles take a great interest in urban planning in the GDR, in the main lines of product development in the construction sector and in various areas of industrial design, and, above all, in the resulting conceptions concerning an effective combination of architecture and design with the object of increasing sociocultural quality and economic efficiency. This opens up interesting prospects for architectural research as well as a framework for foreign economic activities and international comparisons of performance.

Regarding our further research plans, the primary goal of the Institute for Urban Planning and Architecture within the framework of the long-term social tasks and objectives laid down in our country is to gain new insight on the process of intensification of space utilization in the cities and housing developments; it is also necessary thoroughly to study the patterns of architectural design and spatial development in our time as well as their interaction with the sociocultural appropriation processes in our society.

As has been pointed out, this requires a high degree of interdisciplinary cooperation and close contact with the builders on the job. Unquestionably, the great interdisciplinary range of the GDR Academy of Architecture in its 35th year provides a solid foundation for research in urban planning and architecture—a foundation we must turn to good account.

8760

CSO: 2300/112

REVISED VERSION OF ECONOMIC LAW AMENDMENTS DESCRIBED

Warsaw ZYCIE GOSPODARCZE in Polish No 50, 14 Dec 86 p 2

[Article by M.K.: "After Amendments Are Made"; passages in slantlines printed in boldface]

[Text] The government draft of amending 11 laws on the reform, which was hastily sent to the Sejm towards the end of November, has drawn criticism from various quarters. Reservations about it were voiced by the Sejm deputies as early as the first reading of the draft, and among others, by representatives of self-government, the Socio-Economic Council, the PRON [Patriotic Movement for National Rebirth], the Commission for Economic Reform and experts of the Sejm. This is not the place to reproduce the discussion and arguments. They were profound; they pulled together many threads and often spilled over the topics circumscribed by the draft, touching what could be called the philosophy of the reform and economic policy.

Endorsing the package of draft amendments (see ZYCIE GOSPODARCZE, 1986, No 44, p 7), the government cautioned that changes in the laws are the precondition for fulfilling the 5-year plan, constituting an integral part of it. This view was not shared by those participating in the discussion of the draft. Consequently, the government offered many self-written corrections even as the discussion went on. The final wording of the draft, to be considered by the Sejm at the next meeting, was worked out on 4 December 1986 during a joint session of three commissions of the Sejm: for Economic Plan, Budget and Finances; for Legislative Proceedings; and the Self-Government Commission. The draft, prepared by a subcommission nominated from among the members of the three above commissions, caused little discussion and was accepted practically without changes.

/It proposes amending 7 rather than 11 laws, as previously intended. It is not the scope of amendments that is remarkable, important as it is, but rather their substance. Some of the previously submitted proposals have fallen through, which is not to say that the idea to change certain areas of legislation has been abandoned. The government is to consider such changes again, this time with deliberation./

Several of the most controversial and irritating proposals were withdrawn. For now, the law on reorganizing the state enterprise and bankruptcy remains

unchanged. If modified along the lines of the government proposal, it would infringe on the authority of employee self-government. Also, the letter of the law on state enterprises and R&D facilities and the law on State Economic Arbitration will not be changed. The proposal to impose investment targets for provincial people's councils in the central plan has been dropped, which is not to say that the format and scope of this sphere of council responsibilities will remain as before. Let us consider it in turn, though...

Compared to the government draft, changes were perhaps the greatest in the segment on /the law on socio-economic planning./ Compared with the original version, the chapter setting forth the responsibilities of the council for planning was modified. Pursuant to the new proposal, the intention is to introduce an arrangement whereby the chairman of the Planning Commission reviews draft socio-economic plans of provinces to ensure their compliance with the basic directions for socio-economic policy outlined in the national socio-economic plan. The draft also provides for extending this procedure to a lower level, i.e. the provincial people's council would be authorized to introduce the same arrangement with regard to the people's councils at the basic level.

It is also envisaged that changing goals and directions of the socio-economic policy and the planks of the national socio-economic plan will not occur in the central annual plan, but only through amending the law on the 5-year plan. Cancelling the requirement to submit versions of the central annual plan has been proposed. Besides, article 25a which reads: "In preparing draft territorial plans, methodological guidelines set by the Planning Commission of the Council of Ministers should be complied with," was added to the chapter of the law entitled "Guidelines for Planning and Procedures for Social Consultation."

Many provisions of significance for the economy and enterprises are planned to be included in the provisional regulations of the law on planning. Among other things, the law will delegate to the Council of Ministers authority to decree the guidelines for evaluation of work needed to draw up pay scales and grades, as well as the right to set guidelines for compensating the directors of state enterprises, "especially taking into account economic performance of enterprises."

An earlier proposal, authorizing the minister of fuel and materials management to set norms for raw and other materials consumption, to impose bans on the use of certain materials and fuels and production of certain energy and material-intensive goods and services, received support. Failure to comply with those norms would trigger fines, determined to be an unjustified loss and transferred to the central savings fund. Specifics regarding the level of fees, the procedure for contributing them, the organs having jurisdiction etc. will be provided by a decree of the Council of Ministers.

Another specific provisional regulation in the law on planning authorizes the government to collect security deposits for cubature investments from the units of socialized economy. Payment should be made from the fund from which the investment project is financed. Particulars would be set forth in a decree of the Council of Ministers.

The duty to sign a contract for a government order or operational program, thus far imposed only on state enterprises, would also be extended by provisional regulations to all units of the socialized economy (that is to say, including cooperatives).

Yet another important item of the law concerns the ban on increasing remunerations. After "cleaning it up," it was decided that it may be imposed for a period coinciding with a price freeze, which, as is known, the law on prices provides for. Since we are on the topic of prices...

Compared to the government draft, no fundamental changes have been made in the draft amendments of 7 legal acts, which are to be submitted to the Sejm, in the part involving /the law on prices./ We should mention that the proposal calls, as before, for enabling the minister of finance to authorize the seller and the buyer to establish more favorable price conditions in cases where long-range, and especially subassembly delivery, contracts are involved. An opportunity is taking shape to establish a ceiling for the growth of prices for construction work and services, as well as to set minimal rebates, graduated by branch, off the contract prices for quality grades lower than those envisaged by respective laws.

If the draft is adopted, provincial people's councils will be authorized to increase prices of tourist and recreation services with the exception of (and this is a change compared to the government draft) camps, colonies and other forms of recreation for children and young people. However, the surcharge cannot exceed 10 percent of the price. Proceeds from this source would replenish provincial tourism and recreation funds or regional funds for monument restoration. Governors and mayors of the capital city of Warsaw, Krakow and Lodz would be able to set official prices for certain goods and services enumerated by the Sejm.

/The law on spatial planning/ is to be yet another amended legal act. Both the earlier draft and the present one suggest that the Planning Commission be the main organ of state administration, not only regarding the national plan, as has been the case thus far, but also regarding regional plans, thus leaving jurisdiction over the local plans to the minister of construction, land use and communal services. A majority of the changes proposed by the law in question are a consequence of this amendment and are technical in nature. A provision for a possible transfer of some powers of the provincial people's council to its presidium is substantively significant. Article 41 of the current version of the law on spatial planning obligates local organs of state administration to locate investment projects of, among others, national and provincial significance, with the consent of the provincial national council and upon consulting the proper basic level local people's council.

Proposals for formal changes in /the law on the Planning Commission/ follow from the amendments to the law on spatial and socio-economic planning. Matters of regional planning are to be added to its responsibilities.

Several substantive changes of the government draft have been proposed in /the law on taxes on the units of the socialized economy/, apart from technical additions due to the introduction of a tax on above-the-norm payment of wages.

Among other things, the current provision that the Council of Ministers set the rates of turnover tax upon consulting the Sejm commission, has been enlarged by the words "reducing the tax rates (...) does not require that the Sejm commission with the appropriate jurisdiction be consulted."

The commission approved the government provision of the draft, saying that the Council of Ministers may establish in the central annual plan a cutoff rate of growth for remunerations included in self-cost, exceeding which would trigger taxation. The base for this rate is the amount of remunerations paid in the year preceding the current fiscal year. An earlier proposal to exclude from the base of taxation quotas generated by export sales has been expanded to cover payments from the remuneration reserve, authors' and inventors' honoraria, as well as payments on the basis of regulations on inventions.

Among the powers delegated to the Council of Ministers (to set by decree the particulars of taxing above-the-plan growth of remunerations), one of the items on the rates of taxation is to be changed. According to the latest proposal, the progressive rate of taxation on remunerations included in self-cost should fall within the 40 to 500 percent bracket, in the case of payments from profit combined with contributions to the social fund--in the 100 to 400 percent bracket, whereas in the case of exceeding the cutoff of the national socio-economic plan for the growth of remunerations--in the 500 to 800 percent bracket (the upper limit is a novelty compared to the government draft).

It is worth mentioning in this instance that economic units where remunerations (excluding payments associated with exports, inventions and honoraria) grow faster than the central economic plan envisages or encumbrances due to above-the-plan growth of remunerations exceed 25 percent of profit to be distributed (balance surplus), will not be entitled to reductions in income tax and budgetary subsidies in the amount of the above-the-plan growth of remunerations due (excluded from this will be some product subsidies in the form of price differentials).

One of the articles amending /the law on central development funds for science and technology/ proposes to expand the list of units obligated to make contributions to the development fund for science and technology. Thus far, the proceeds have come from the fund for technical and economic progress at state enterprises. The intention is to expand the ranks of contributors by including mixed enterprises, partnerships with at least 50 percent participation by the treasury and all units of the socialized economy, and to make such contributions mandatory. Besides, the general provision "The Central Fund for Implementation Aid is designed to partly finance implementation endeavors of significance to the national economy" would be replaced by an earlier one, stating that the moneys of the fund may be allocated for repayable or non-repayable aid to state enterprises, R&D facilities, PAN [Polish Academy of Sciences] establishments and colleges, mainly to partly finance implementation work entailed by government orders. The provision that the fund be replenished by additional contributions from state enterprises, constituting the fund of technical and economic progress and included in self-cost, is removed.

In the part of the government draft concerning /the law on financial management of enterprises/, the wording has been touched up only slightly. Therefore, here is just a reminder: the intention is to cancel mandatory transfers of part of the mark-up on costs to the central fund for the development of science and technology, whereas rates of contributions to the fund of technical and economic progress would be set in the national socio-economic plan, providing, however, for an opportunity to increase or reduce the rate by no more than 25 percent. It is suggested that enterprises joining a mandatory association voluntarily cover the outlays on maintaining the association from profit. A provision is also made for a possible complete exemption from, or a reduction in the rate of amortization write-offs subject to transfer to the state budget.

The law would take effect not on the day of publication, as the government planned, but on 1 January 1987.

9761

CSO:2600/248

CHANGES IN HARD CURRENCY RETENTION FUND SYSTEM PROPOSED

Warsaw ZYCIE GOSPODARCZE in Polish No 49, 7 Dec 86 p 14

[Article by S.L.: "New Format of Retained Hard Currency Allowances?"]

[Text] Our publication has reported repeatedly on the blockage of payments from the accounts of retained hard currency allowances owned by exporting enterprises. A discussion on how to remove this blockage was accompanied by work on changing the allowance formula itself. This is how the draft resolution of the Council of Ministers "on specific guidelines for accumulating and using retained allowances of hard currency and clearing proceeds in the 2d payments zone [capitalist countries]" was drawn up in the Ministry of Foreign Trade. This would be the third resolution in this matter since 1982, changing the arrangements in effect (the previous resolution was passed on 4 October 1985).

The draft envisages a general revision of allowance rates. Thus far, they have been set specifically for individual account owners on the basis of expected exports and the necessary import intensiveness. Now, unified rates would be in effect for large groups of enterprises. Thus, the unified rate for mining enterprises would be 6 percent. According to the plan for next year, this group is to export about \$1.9 billion worth of raw materials, their combined allowance coming to about \$120 million. For the overwhelming majority of manufacturing industries, the unified rate would stand at 13.7 percent (more precisely, for iron and steel, electric engineering and machinebuilding companies at low and medium-technology levels, for enterprises of the chemical, light, woodworking and pulp and paper, food and mineral industries, as well as for producers of agricultural crops). Exports of this group should amount to about \$3.7 billion, the allowance coming up to \$490 million. Only a few high-tech manufacturing enterprises would be granted a 30-percent rate. A list of such enterprises will be confirmed annually by the Council of Ministers. The list proposed by the authors of the draft for the next year includes just several dozen owners of retained allowance accounts, mainly enterprises of electronic and electrical engineering, as well as the associations of furniture and dye producers. The fact that their exports will barely reach \$220 million and, thus, the allowance -- about \$64 million, proves how small this group would be. It is also suggested that several

special rates be kept (for the car works, the "Ursus [Tractor Plant]" and a segment of the output of the H. Cegielski Enterprise). Finally, the rate for design offices and other similar units would be 8 percent.

It is easy to observe that the unification of rates would be accompanied by a reduction in their average level (thus far, the weighted average rate comes up to about 20 percent). Even those given a preferential 30-percent rate by the draft thus far have had higher rates, 40 or frequently even 50 percent. We should mention here that a producer who is only beginning to export would, according to the draft, have certain preferences during the first year in the form of a rate 5 percentage points higher than the one in effect for his group.

The draft also draws a distinction between hard currency and clearing proceeds. The latter would be recorded in a sub-account. They could only be used in full for clearing expenses as well. If the owner of the account wished to use these funds for hard-currency purchases proper, he would only receive between 0.5 and 0.8 of the amount (depending on the instructions of the Ministry of Foreign Trade).

The next important modification would involve a change in the character of accounts from bookkeeping to deposit. All new proceeds after a given date would accrue directly in the deposit account. The owner of the account would have to purchase the allowance accrued within 3 months at the exchange rate in effect on the day of purchase. Hard currency not purchased would irrevocably remain at the disposal of the bank.

Another quite substantive change is associated with a switch to deposit accounts. Namely, free trade in hard currency purchased would be allowed. An enterprise would be able to freely sell its hard currency to other companies at the exchange rate in effect on the day of purchase, but with a surcharge which is a quasi-tax. According to the authors of the draft, this would make redistribution of hard currency more efficient and would ensure its better allocation in keeping with the reform.

The draft also somewhat expands the leeway in hard currency allocation. For example, 1 percent of the funds in the account at the beginning of the year could be allocated for social needs. More importantly, enterprises would also be able to purchase for hard currency domestically produced goods in short supply, e.g. bearings, engines etc., from Polish foreign trade organizations (the list of such merchandise would be compiled by the Ministry of Foreign Trade). Producers of such goods would be granted the retained hard currency allowance and all privileges as if these were regular exports. This would accommodate final producers, who have frequently complained about having to import from foreign countries subassemblies and semi-finished goods exported by their contractors inside our country.

Along with changes in the format of the allowance system, the draft also comes up with a proposal to resolve the issue of insufficient liquidity in the accounts to date. Thus, with regard to the hard currency which has accrued thus far in the bookkeeping accounts (and which the owners of the accounts cannot obtain), the enterprises would receive certificates authorizing them to purchase the entire amount due them, but only gradually, in 5 installments, in the years 1988 through 1992.

SEJM COMMISSIONS ISSUE STATEMENTS ON PLAN, SELF-MANAGEMENT

Warsaw TRYBUNA LUDU in Polish 19 Dec 86 p 5

[Condensed report by the PAP [Polish Press Agency] on statements by the Sejm Commissions for Economic Plan, Budget and Finance, for Self-Government Affairs and for Legislative Proceedings]

Government Draft of the National Socio-Economic Plan

[Text] Deputy Jan Kaczmarek (PZPR) presented a report by the Commission for Socio-Economic Plan, Budget and Finance on the draft resolution on the national socio-economic plan for 1986 through 1990, including supplementary income for local budgets, and on the estimated balance of budget income and spending. The following are its theses:

- The Sejm commission carried out a review of the national socio-economic plan with the awareness of the great significance of this program. We also felt responsible for ensuring that it reflect the program and resolution of the 10th PZPR Congress, earlier resolutions of the Sejm, and results of extensive social consultation.
- There was no disagreement between the Sejm commissions and government representatives regarding the main premise for the national socio-economic plan, that recovery and intensification of the economy must be managed so as not to cause a decline in the standard of living of the populace.
- During a detailed review of the draft, which abounded in polemics and substantive debate, the commission saw fit to introduce a total of 39 amendments to the government text.
- Among the amendments concerning social goals, the one associated with the main premise of the national socio-economic plan, that the average standard of living of the populace will not decline, is of particular significance. The provision suggested outlines unambiguously the tasks in counteracting inflation.
- Housing construction was the topic which caused protracted negotiations with the Planning Commission. We requested changes in the national socio-economic plan which would make it possible to build more apartments in 1990

than the 230,000 proposed by the government. A new provision, setting this range at 240,000 to 270,000 and 300,000 by 1992, has been agreed upon.

- With regard to other social goals, there was more agreement than on the issue of construction. However, the commission considered numerical indicators in the government draft to be the lowest level of social requirements. It has been specified in the provisions that hospital capacity should be expanded by at least 25,000 beds, the number of places in special care facilities should increase more markedly; an additional obligation to increase real wages of doctors and nurses has been inserted. It has been recognized that the suggested number of new classrooms, 17,800, should be exceeded.

- Considerable changes have been proposed in the sphere of economic development. It has been resolved to remove the list of centrally financed investment projects to be started from the national socio-economic plan, authorizing the government to insert such projects in the central annual plans; those associated with improving the structure of the economy should enjoy priority.

- Our feeling of responsibility and realism prompts us to state that there are no funds available for a greater pace and scope of changes in the structure of the economy, if social goals are also to be attained.

- The issue of the program of land reclamation and its financing caused considerable response, especially in territorial self-government. The government retracted the previously made decisions and steps in this matter. This, however, did not solve the problem of securing financing for land reclamation on at least 700,000 hectares. A solution to the problem has been coordinated with the government. The government has set up a fund for land reclamation by withholding 55 billion zlotys in restricted subsidies to provincial budgets and adding 10 billion zlotys from reserves.

- The commission has made a proposal which obligates the government to prepare a change of regulations on the distribution of amortization so that by 1988, at the latest, all of it remains at the disposal of the enterprise.

- The government has been obligated to submit systemic economic instruments constituting the second stage of economic reform. It has been resolved that the government submit to the Sejm new concepts of economic activities, in several versions, in case the development of the economic environment diverges from that assumed in the plan.

- The Sejm commissions have made many amendments and additions to the government draft of the socio-economic plan. The document presented has been improved. This, however, does not change the fact that this is not a program which fully meets our expectations. It gives a strong guarantee that the tasks set will be carried out and goals will be achieved.

Budget and Finance

Deputy Krystyna Jandy-Jendroska (non-party member) presented a report of the Commission for Economic Plan, Budget and Finance on the draft budget law for 1987 and 7 financial resolutions. The following are its theses:

- Subsidies for consumer goods and services, exceeding 1,006 billion zlotys, still remain the largest item of spending in the budget. Total social and cultural expenditures account for more than 47 percent of all spending. This places a considerable burden on the budget, but we do not want to forego achieving these objectives.
- For the first time in several years, the government has submitted a balanced draft budget. It is planned to have a small budgetary surplus to be used for repaying budgetary debts to the National Bank of Poland.
- Achieving budgetary equilibrium depends on the persistent implementation of substantive tasks set by the central annual plan and on the impact of economic instruments on economic units. These tasks are very demanding, whereas economic instruments used are not always efficacious. Failure to raise prices within the time limit and by the amount envisaged in the central annual plan is the main threat to budgetary equilibrium.
- The tendency to restrict subsidies for enterprises is too weak. At the same time, the efficiency of instruments which are supposed to prompt a reduction in costs, especially of materials and energy, is too low. After all, restricting subsidies and supports should not result solely in higher prices. Hence, there is the need to constantly improve the instruments of economic management.

The commissions are also concerned that only a symbolic growth of average family benefits and a considerable decline in the number of attendance allowances has occurred. The decline is due to the threshold of per capita income in the family not being changed since 1981. It is high time to take steps to make this level more realistic.

- The credit plan and the balance of income and spending of the populace are a reflection of the fiscal and credit policy postulated for 1987 by the National Bank of Poland. Its basic goals are to contribute to and influence the restoration of economic equilibrium, the structural repatterning of the economy, and an increase in global and specific economic efficiency.
- Despite the exacting criteria of the credit plan, there is a shortage of 150 billion zlotys. Actions must be taken to prevent this shortfall from being covered by additional emission of currency.

Changes in Certain Economic Laws

Deputy Jerzy Golis (PZPR) presented a report of the Commission for Economic Plan, Budget and Finance, the Commission for Self-Government Affairs, and the Commission for Legislative Proceedings on the government draft law on amending certain laws outlining the operation of the socialized economy. The following are its theses:

- Discussion on the government draft law on amending certain laws outlining the operation of the socialized economy showed that the draft had caused much controversy. As a result, the government retracted some of the proposals in, among others, the laws on enterprises and on enterprise groups and the so-called bankruptcy law. Even if the need arises to return to some of the proposals, the discussion may then proceed in a quieter, more businesslike environment. For other reasons, the government also retracted amendments to the laws on state economic arbitration and on socio-economic planning (at issue was the provision for setting mandatory tasks for provincial national councils).

- The most significant changes currently proposed consist of: introducing the principle of reviewing socio-economic plans of provinces by the chairman of the Planning Commission of the Council of Ministers; authorizing the Council of Ministers to set guidelines for work evaluation and remuneration for enterprise directors depending on the economic performance of enterprises, delegating authority to set norms for raw and other material consumption and to impose bans on using excessively energy- and material-intensive technologies and producing goods with similar properties; authorizing the Council of Ministers to freeze wages simultaneously with a price freeze, expanding the authority of the government to impose the duty to sign a contract for a government order to all units of the socialized economy; authorizing the minister of finance to introduce a ceiling for the growth of prices for construction work and services and to create a more favorable price environment for enterprises signing long-term delivery contracts, as well as to apply rebates on poorer grade and low-quality goods; introducing the principle of paying from profit costs incurred by an enterprise not obligated to join an association doing so; creating an opportunity for a complete exemption of enterprises from amortization write-offs.

- The issue of introducing a severe tax barrier for those forcing the growth of wages caused much controversy. These arrangements are aimed at the government establishing a maximum rate of growth for remunerations included in producer costs, upon exceeding which enterprises would incur very high tax liability. Sums generated by exports, authors' and developers' honoraria and inventors' compensation are exempt from such taxation. The risk of losing all preferences and subsidies if liability due to taxes on above-the-norm remunerations exceeds 25 percent of profit for distribution would be another barrier. However, these barriers would not apply to enterprises starting up new production capacity.

- Further amendments involve making decisions on location and siting more efficient, making guidelines for financing implementation undertakings more flexible and regulating the guidelines for using stipends and grants financed from the fund for the development of science and technology.

Status of Employee Self-Government

Deputy Stanislaw Kania presented a report of the Sejm Commission for Self-Government Affairs on the status of employee self-government in enterprises with emphasis on the implementation of the law on employee self-government at state enterprises. The following are its theses:

- The practice of the Sejm considering the status of employee self-government and the implementation of the law in this sphere annually reinforces an important premise of vigorous self-government; the conviction that self-government is here to stay makes it possible to concentrate on the current, most significant problems in the development of our country.
- Five years of practical implementation of economic reform principles and setting up self-government organs have been a time for uniting the reformist role of the party and state leadership with the aspirations of the working class for self-government.
- Employee councils are using their decision-making powers to the fullest extent, e.g. adopting annual plans, reviewing drafts of long-range plans, distributing profit, accepting annual reports, and endorsing enterprise balances and investment.
- The apprehension that self-government bodies will underestimate the development needs of the enterprise and restrict funding for this purpose has not come true.
- On the other hand, interest in the issue of streamlining employment, reducing producer costs, technical progress, and quality of products has been weaker. In many enterprises, the work of the director has not been evaluated.
- Improvement in using the statutory authority to express independently the opinion of self-government and display initiative towards enterprises has been very slow.
- Likewise, the apprehension that according the self-government bodies by law an opportunity to bring legal action would paralyze the current operation of enterprises has not come true.
- Self-government has proven itself in enterprises operating under the system of economic reform; we should very consistently promote activities by all self-government organs.
- Self-government bodies operate in 95 percent of the enterprises in which such organs can be created. However, we should take interest in the reasons for the absence of self-government in some enterprises.
- Our experience favors bolder development of self-government inside the enterprise, i.e. by setting up its organs in plants and other organizational units and creating production teams;
- The success of our plans hinges on the understanding, support and initiative of workforces in carrying out the socio-economic program, now more than ever. Self-government has considerable potential in the matter.
- Fears about the future of self-government have surfaced again in recent weeks in conjunction with the intended amendments in certain laws. However, today we are considering a completely different scope of changes in these laws, whereas corrections in the draft are the result of very careful

consideration of social reservations at the highest political and state decision-making levels.

- There is a great need for the initiatives by self-government bodies in everything that promotes higher efficiency of management, modern production and restoration of economic equilibrium.

- Mutual respect for each other's jurisdiction and recognition of the need for everybody to act in the interest of the enterprise, its role in the national economy and for the good of the workforce and the populace, are the most significant condition for a good relationship among the self-government organs, management and trade unions.

- The Commission for Self-Government Affairs is convinced that the Sejm will share the stand of the PZPR CC Politburo and recognize that consolidation of the position of director should proceed along with the reinforcement of the position of employee self-government and the role of enterprises in the economic system of our country.

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ACADEMIC DESCRIBES PLANS FOR DEBT, DEVELOPMENT STUDY CENTER

Warsaw ZYCIE WARSZAWY in Polish 2 Jan 87 p 3

[Interview with Professor Boguslaw Jasinski of the Academy of Economics in Krakow, by Pawel Tarnowski]

[Text] [Question] The Center for the Study of Debt and Development, the establishment of which was first proposed by General Wojciech Jaruzelski at the 40th United Nations Session in New York, has finally begun to assume real form. Did it really have to take so long for this institution to come into being?

[Answer] More than a year passed from the moment the idea of organizing such a center was proposed and the institution was officially established by the minister of science and higher education. Considering the urgent need for intensive studies of the complex problem of world debt, that is indeed a long time. But on the other hand, if we look at the amount of necessary preparation as well as the need to follow the procedures of law, it would have been hard to work faster than we already have.

[Question] What role will be played by the krakow center jointly organized by Jagiellonian University and the Academy of Economics? What tasks will it fulfill?

[Answer] We want to create a specific scientific research center that is above all concerned with studying the relationship between debt and economic growth.

[Question] In Poland, such studies are already being conducted by several institutions and universities.

[Answer] That is true but their work is not that comprehensive. As far as I know, neither Poland nor any other country has at this time a scientific establishment that concentrates solely on the problems of debt and growth or studies the relationship between the two. For the most part, the research has so far been limited to the financial aspects of debt. We wish to study the

problem in global and general economic terms and find means of overcoming the impasse.

[Question] One cannot overlook the fact that this problem is of such capital importance to a country as heavily-indebted as Poland. Who is going to study the problems of debt and in what manner will they do so?

[Answer] We do not intend to create an overgrown institution that would unnecessarily increase research costs. But on the other hand, a small establishment of 10 persons including three technical employees would in itself not satisfy the need for research in this area.

How could such an institute function without a large amount of personnel? We figure that the work would be supported by specialists from all of Poland's academic centers in Warsaw, Gdansk, Poznan and Lodz. A great deal would also depend upon the actions and decisions of the center's 25-member scientific council which once it is set up by the rector of Jagiellonian University will establish research priorities and take responsibility for monitoring work. Most of its members will probably be from places other than Krakow and this will hopefully mean that the work of the center will be supported by more than just local economists.

[Question] Several months ago, you were given the task of organizing the center. What have you accomplished since then?

[Answer] Once the minister of science and higher education signs the order, the Krakow center will finally come into being and we will then be able to ask for the resources we need to act. We also have a finished plan for the centrally-controlled study of debt and the development of the contemporary world economy and in this plan, we have precisely stated our intentions. I have also just concluded a series of preliminary talks with many professors about their eventual participation in the scientific council or in specific studies and the results so far have been promising. Many of these professors expressed real interest in the enterprise.

[Question] In the formal sense, the center already just exists but just on paper. What will happen now? What are your next moves?

[Answer] The next moves depend on other people. The city authorities have assured me that we will soon receive the quarters we need in Krakow. The rector of Jagiellonian University promises to soon appoint a scientific council and director for the center. We are also waiting for the financing we need to realize the research I have already described. Most likely, at the beginning of next year, there will be a national conference on methodologies for studying the relationship between debt and development. All this is only the beginning.

[Question] Has anyone considered the possibility of working with scientists from other countries?

[Answer] We hope that the center will be involved in such international cooperation. We are counting on the support not only of scientists but also of United Nations agencies, the IMF and the World Bank. By the end of next year, we plan to organize an international conference of well-known specialists from many different countries to discuss the current financial situation in the world and the prospects for solving the problem of debt. In the future, we hope that the center's activities will be patronized by the secretary general of the United Nations.

[Question] Have you already been given some sign that this initiative may be taken up by other countries?

[Answer] So far, the center has still not started any practical scientific work so it is hard to say that anything concrete has been done. However, the idea has been warmly received by more than just economists from the socialist countries. For example, the director of the Diplomatic Institute in Mexico, Rosaria Green, showed interest when she visited Poland. During a conference of one of the commissions of the academies of sciences of the socialist countries in Czechoslovakia, several institutions expressed their support for cooperation with the center.

[Question] For an establishment such as this to be noticed in the international arena, it must conduct years of earnest research whose findings are supported by real events or it must surprise the world with radical ideas. Which direction will the center take?

[Answer] The first one, of course. Accurate and serious study of the problem makes it possible to present solid and well-reasoned ideas. Of course, I cannot guarantee that some of the center's findings might not be controversial to some of the representatives of world finance. The entire issue is too complicated to quickly and easily reach a widely-accepted compromise.

[Question] The center's title includes two economic terms: debt and development. It would be hard to find two terms more diametrically opposed. Can these two concepts be linked together as long as it is common knowledge that high debts are now the principal barrier to the economic growth of about 100 countries?

[Answer] The two terms were intentionally brought together under the center's title because the chief task of the organization is to study the relationship between them. The present world economic situation is such that most countries have enormous debts which cannot be paid off for a number of reasons. As unpleasant as that fact may seem, it is something that must be considered by borrowers as well as lenders. Without quick economic growth in the indebted countries, there is no real chance that they will ever be able to pay their debts and it is therefore in the interests of the governments and many of the private banks of the richest western countries to see that the debtor nations do achieve greater economic development.

After all, we have already seen cases in modern economic history in which lenders cooperated for so long and profitably with their debtors that the latter managed to recover economically and pay back the borrowed money. This is a model that certainly can be repeated. The further pauperization of the debtor nations and squeezing them for their last dollar will not do anything at all to solve the problem.

[Question] It seems that the West is slowly beginning to come around to this point of view. Last year, the United States made an obvious turnaround in its policy toward debtor nations even if the change was for the most part just a verbal pronouncement. There was also the famous plan by the United States Treasury Secretary James Baker in which 15 of the most-indebted countries were promised new credit on the order of 30 billion dollars in return for their introduction of certain "free-market" economic reforms.

[Answer] Indeed, we have recently been seeing certain changes in the American position on debts but they have not gone far enough to bring about any real solution to the debt problem within the next few years. The Baker Plan would certainly do some good if there were only a small number of debtor nations but the situation is now different. Cold medicine does not help pneumonia.

In spite of everything, I feel that everyone interested will understand the need to cooperate in getting out of the debt trap. There is no other sensible alternative than to cooperate.

[Question] Will the center also study Poland's problems in this regard?

[Answer] That will certainly be one of its subjects, all the more so as little is known about debt and development in Polish society.

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BOOK REVIEW ASSAILS ECONOMIST VIEWS ON CENTRALIZATION, REFORM

Warsaw POLITYKA in Polish No 50, 13 Dec 86 p 13

[Review by Pawel Bozyk, economist at the Warsaw Central School of Planning and Statistics, of book "Perspektywy wyjścia z kryzysu" [Prospects for an Escape from the Crisis] by Jozef Kaleta, rector of the Wroclaw Academy of Economics, Krajowa Agencja Wydawnicza, Warsaw, 1986, 204 pages, part of series "ABC gospodarki" [ABC of the Economy]]

[Text] The book by Jozef Kaleta returns to the topics which have very much upset public opinion in the years 1981 through 1984, i.e. the causes of economic crisis and direction of the [economic] reform.

The basic message of the book is the notion that practice has not taken advantage of the suggestions of reformers, which have been approved by the 9th PZPR Congress, the Sejm and the supreme political leadership. The 9th Extraordinary PZPR Congress recognized, writes the author, that "introducing the reform is the basic precondition for a successful program of overcoming the crisis and creating a basis for the socio-economic development of Poland. This is the stand of the leaders of our party."

Meanwhile, according to J. Kaleta, there is no reform in Poland. The author asserts that the so-called "three S" [autonomy, self-government and self-financing] are not being implemented, since employee self-government is not operational and enterprises have gained neither autonomy nor self-financing. Instead, the command-and-allocation system is rampant again. Changes in the economic mechanism and the function of prices, currency exchange rate, as well as in the role of other devices, have not occurred. Economic policy, including structural policy in foreign trade and, as a matter of fact, other spheres of economy, has not changed.

The author believes that finding the appropriate remedy calls for an appropriate diagnosis. He writes that we should first venture to explain correctly the causes of the crisis in Poland. In writing about this issue, Kaleta completely ignores or minimizes such factors as objective premises, the lack of democracy in socio-political and economic life, or restricted publicity about political and economic life. In the opinion of the author, a contradiction between the growing level of development of the economy and the increasing centralization of planning was the basic or outright the only cause

of the crisis in Poland. This, combined with the increasing role of the political apparatus (as called for by the primacy of politics over economics), largely incapacitated the constitutional, responsible and competent organs of authority and state administration.

These are striking theses, but they have little to do with reality. As long as several years ago, in my book "Marzenia a rzeczywistosc" [Dreams and Reality] (published by the PIW [State Publishing Institute], 1983) I attempted to show that centralization in the 1970s was formal rather than genuine, whereas the role of the party apparatus was restricted compared to the 1960s. Anyway, this did not prevent the crisis in our country. Other objective analyses, of which, after all, there have been quite a few in the form of official documents, among others, point to the highly complex nature of processes which brought on the crisis.

However, Kaleta keeps persistently to this thread alone. Therefore, he asserts that the operation of economic laws and cost-efficiency analysis were restricted only for political reasons, that small-scale industry was eliminated for political reasons, that an array of other restrictions on economic operations was introduced for political reasons. The representatives of central administration are at fault in this matter. They are the proponents of the command-and-directive system. They are the ones now standing in the way of introducing the reform. They are none other than deputy prime ministers, committees of the Council of Ministers, branch ministries, the Planning Commission of the Council of Ministers, and so on.

In particular, "the leadership of the Planning Commission is not at all interested in introducing fundamental changes in the methods of central management of the economy to date; they cannot easily break away from their experience of many years..." Changes in key positions of the central apparatus are highly inadequate, as they often consist of transferring people among various organs of this apparatus. An overwhelming majority of key positions in the supreme organs of economic administration are still staffed by people who have for years managed the economy in a voluntaristic manner, by resorting to orders and administrative methods. "These people have lost economic competence and can no longer meet the requirements of the economic reform even if they made a wholehearted effort. Therefore, their negative attitude towards the reform is understandable." This obsessive thesis prevents Kaleta from finding any positive aspects in the operation of central administration.

Jozef Kaleta is not only a proponent of the reform, he is its coauthor. He treats the reform as a panacea for all the ills of our everyday life. He suggests that directive planning be supplanted by indicative, and that goods and monetary instruments be operationalized. He has no doubts about this being possible in a socialist economy where social property is the basic property form.

The author comes down especially hard on the central economic administration for the erroneous interpretation of the guidelines for price setting envisaged by the reform. He writes that, under the conditions of a nationalized economy, the freedom enterprises gained to set prices resulted in them

constantly increasing prices in order to compensate for mismanagement and low efficiency. Unrestrained competition should be permitted, only then will the enterprises begin to reckon with the customer. In our country, there is no need "...to bring about market equilibrium solely by raising prices, because tremendous reserves in the economy are available. By using these reserves, we can increase the supply of goods, reduce the costs of production and establish market equilibrium in this manner, stimulating the economy at the same time."

The author believes that market equilibrium can be achieved very soon, within 2 years. This would be a better way than the present one, which inexorably evolves towards a TV set costing 500,000 zlotys and an automatic washing machine costing 200,000, and so on. This can be prevented by persistent implementation of the guidelines for economic reform, including resolute prevention of the growth of wages (increasing wages only in exchange for increased efficiency).

As J. Kaleta sees it, introduction of the changes he is suggesting is quite easy. He sees no ideological difficulties (referring to the support of supreme political authorities and institutions and their resolutions). He sees no social difficulties: the danger of unemployment, decline in the living standard or many other obstacles the reform is now running into.

Instead, he persistently criticizes the assumed opponents of the reform (the leadership of the 1970s - for extreme centralization of the economy). He does not care to remember that centralization was even greater in the 1960s, and the role of the political apparatus in managing the economy--inordinately greater. In their turn, the 1970s should be criticized for instilling anarchy in the economy, for the resolutions of the center not being enforced in any way. In a couple places, the author, as if forgetting about the focal point of his argument, writes: in the 1970s, the authorities were too weak to ensure the execution of the economic maneuver. Further on: in the second half of the 1970s, the supreme political and administrative authorities of our state unsuccessfully charged the units reporting to them with changing the structure of the economy, and so on, and so forth. This is exactly the point--technically, there was centralization, though weaker than in the 1960s, whereas actually everybody did what he wanted.

In the opinion of J. Kaleta, things are no better in the 1980s. Technically, the reform is being introduced, whereas actually the economy is being centralized. The best specialists have been pushed aside from everything. Various "consultative" organs have proliferated, but they are merely fronts and do not play a meaningful role. This is the case with the Consultative Economic Council, the team of experts of the Sejm, scientific councils at ministries, central offices, governors, mayors etc. "The results of operation of these very numerous organs are usually small, mainly because in the command system of management political and economic leaders do not heed their opinion. Frequently, they do not even solicit the opinion of these bodies before making important decisions."

Kaleta censures everybody who gives advice, proceeding from the premise that they should be "held accountable" for economic performance rather than the veracity of their intent and opinion. However, can economic performance

indeed be a test of the quality of advisers? Can the politicians use all the means and methods they recommend? Would Prof Kaleta, if he were a "decision-maker," do what he calls for as author of the book...

J. Kaleta let Czeslaw Bobrowski have it for advising the government to grant preferences to mining and agriculture, thus wasting a chance to make structural changes in the economy. He also let others have it.

In summation, the author writes: "Creating an appropriate social environment favoring economic reforms (...) is an essential condition for accelerating the process of overcoming the crisis. Unfortunately, thus far we do not have such an environment. The economic reform is running into ever greater obstacles and still has many opponents. Lately, it has even become the object of malicious jokes in humor magazines. Participants in many meetings demand outright that the reformers be punished. Also, they saddle minister Baka with responsibility for all our difficulties. At times, results of public opinion polls are published, which suggest that a majority of our populace is against the economic reform..." In the opinion of J. Kaleta, this is a collusion of dogmatists against the reform, and it is high time to deal with them.

A completely biased approach to the issue is the main feature of this book. The author, making a fetish of the reform, staunchly believes in the deliverance it brings, in its positive influence on structural changes, efficiency, all spheres of economic life. For him, the Hungarian reform is the embodiment of all that is good in the world. J. Kaleta completely ignores the discussion underway in Hungary on the difficulties which that reform is encountering. Increasingly often, the view that the concept implemented is experiencing a crisis is being put forth in that country. In particular, the question is posed whether comprehensive market mechanisms can indeed be introduced in a socialist economy without infringing on the existing forms of ownership and the systemic and ideological principles in effect.

I am not an advocate of centralization in Poland; I am aware of its shortcomings. However, I believe that a book by an economics professor must not omit a question of this nature. I am not defending central administration--let it defend itself--but I believe that towards the end of 1986 we should be seeking more profound arguments in explaining the reasons for the difficulties experienced by the reform.

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LITTLE CHANGE SEEN FROM NEW ECONOMIC MEASURES

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 12 Jan 87 pp 10-14

[Article by Tomislav Dumezic, Fedja Zimic, Milos Markovic, Vladimir Karakasevic, Ruzica Vuger, Milijana Barjaktarevic, and Petar Sitarski: "Adaptation to Uncertainties"]

[Text] The new laws embodying the economic system do not change anything essential, since what they advocate they try to achieve by legal coercion, rather than by establishing an economic interest. The fear of losses has at the very outset created exceptions which will be so numerous that they will become the rule. This year is the first of a run of years in which the outflow of the national income to pay off debts is high. In the "activities against the causes of inflation" one recognizes the strategy and tactics which have already proven powerless against inflation in the past. Productivity is a growth of income: that is the interpretation which solves(!) the secret related to the most recent measures of the Federal Executive Council concerning personal incomes.

Over the next several pages we attempt to forecast what will be happening this year in Yugoslavia's economic life and thereby also in the area of its population's standard of living. In that respect first place must be taken by the new laws embodying the economic system, above all those pertaining to the now established concept of financial consolidation of the economy. The topics which must be covered in this examination are certainly exports, inflation, and personal incomes.

The attempt to supplement what we have been able to learn on our own with the opinions of business executives was only partially successful. It is too early to ask--that is the answer which in recent days we received most frequently, accompanied by the explanations which we have very briefly compressed in the first paragraph above. It actually turns out that the business executives are simply not able to translate the new enactments into any kind of a clear calculation. Yet the basic precondition of successful business operation of a modern enterprise is that it be able to calculate in advance what it will get from a particular move regardless of who makes it. It thereby adjusts its behavior to derive from everything offered the greatest economic benefit. That after all is the interest of any enterprise. In a global examination of the most recent changes in the system our journalist concludes that

this factor has not been taken into account, but rather that the behavior of the economy (and of every enterprise) is being guided by legislative coercion. Yet that kind of coercion directly undermines motivation. In the form they have been offered the new measures after all force enterprises to cut back the personal incomes of their employees, which, of course, is not to the liking of the latter. Thus the legislative effort to preserve assets by revaluation will inevitably result in an accelerated rise of prices. Another weak point of the enactments is that on the one hand they are declarative and to that extent unenforceable, while on the other they are inconsistent. So many exceptions have been made at the outset that exceptions will actually become the rule.

The first picture of the effectiveness of the new enactments with any reality can be anticipated only with the semiannual financial and income statements. One reason for this is that it is realistic to expect that the approach taken in the first months will be "who can be against real parameters?" The figures in the statement for the 1st quarter, however, will be indicative as to whether it is possible to overcome all this in some other way than large price shocks. The evaluations of the presidents of certain firms which have traditionally communicated with their labor force through internal organs are very suggestive in this direction. Even now, that is, it is evident that the program for adoption of real parameters cannot count on success without a program of social welfare measures. The question remains completely open of whether at a time when the outflow of national income to pay off foreign debts is beginning to speed up and when the "impact" on the causes of inflation consists of weapons already familiar, the announced model of personal incomes is something that can moderate the consequences of the harsher conditions in the sphere of economic activity.

The new laws embodying the economic system, above all those which regulate the formation and distribution of gross income and income, depreciation, and procedure for financial rescue and bankruptcy, were enacted out of a desire to affirm real economic categories, to halt the siphoning off of property into income and consumption, to offer a more realistic picture of the business performance of economic organizations, to improve financial discipline, and so on. Yet they still are not changing anything essential in the present socioeconomic system, since they try to guarantee the preservation and (possible) augmentation of the property of economic entities through legislative coercion, not by establishing the economic interest of those employed in the enterprises. Thus depreciation is increased because of revaluation of fixed assets and revaluation of computed depreciation during the year (instead of motivating employed people to replace the existing assets as soon as possible with new ones that are more up-to-date); business operating costs are also increased by the revaluation of the raw materials and supplies consumed; the value of all types of inventories is augmented so that enterprises will be furnished money for normal business operation (instead of the employees themselves seeing to the preservation of the real value of working capital); regulations are tightened on financial rescue and bankruptcy (even in the past they have not been invoked), instead of passing the business risk on to independent economic entities. This kind of normativistic approach to the changes of the economic

system that is turned exclusively to the consequences and does not touch the causes cannot contribute to a growth of production, productivity, profitability, and more rapid development, but can only result in a more rapid manifestation of certain other consequences, which again are negative. In this case it is certain that they will include accelerated inflation.

The Law on Gross Income and Income embodies changes that have the greatest material consequences. This observation pertains primarily to the system of revaluation which has been prescribed, to revaluation of revenues and expenditures, to revaluation of permanent sources of business assets, since this essentially diminishes the income of business organizations, while resources for reproduction are augmented. In a normal economic system in which economic entities are careful to preserve and augment the value of property out of their own economic interests and to see to the profitability of the resources they commit, such a change would be very favorable for economic entities. Yet it would not even be necessary in that kind of system; it would be enough for the regulations to allow for accelerated depreciation, which the enterprises themselves would take advantage of, since in that way they would also be reducing their tax obligations, and their competitiveness would be increased.

The text of the Law on Gross Income and Income pertaining to the revaluation of assets is somewhat better than the draft bill was. The improvements pertain primarily to revaluation of obligations related to credits and to revaluation of accounts receivable (according to the text that was adopted revaluation is not automatic, but is invoked only when this is envisaged by the credit contract). There were also certain improvements concerning the revaluation of working capital. Instead of the uniform revaluation coefficient (the index of producer prices of industrial products), alternatives have been provided--the revaluation may also be done on the basis of a coefficient established according to the producer price index in the branch in which the basic organization is classified or according to the producer price index for the branch of the producers of materials and other physical components which the basic organization predominantly uses. A very significant improvement is that economic organizations do not revalue permanent sources of business assets as a whole, but subtract from them commitments made on the basis of mandatory loans and mandatory pooling computed up to the end of 1990 on the basis of laws and self-management accords drawn up on the basis of law.

Faster Indexing--Faster Inflation

The Law on Gross Income and Income has retained the category of revaluation expenditures and revaluation revenues. The revaluation of raw materials, supplies, spare parts, stocks of small items, tires, and containers is included in material costs. Amounts of revaluation of products and services sold, the amounts of revaluations of permanent sources of business assets, and the amounts of revaluation expenditures not covered by revaluation revenues are also charged to material costs. The term "revaluation expenditures" means expenditures of interest on dinar credits up to the growth rate of producer prices of industrial products, the revaluation of dinar obligations if envisaged by the contract, and negative exchange-rate differences. The term "revaluation revenues" refers to revenues from interest on dinar claims up to the

growth rate of producer prices of industrial products, revenues from revaluation of accounts receivable denominated in dinars if that revaluation has been envisaged by the contract, and also revenues from positive exchange-rate differences.

At the end of the accounting period organizations revalue practically all assets in physical form regardless of whether they are fixed or working capital and regardless of whether these physical items are in the warehouse or have been consumed during the accounting period. Fixed assets are revalued at the end of the business year when the year-end statement is compiled, and it is done during the year on periodic statements in the form of a temporary computation of revaluation. The revaluation coefficient of various groups of fixed assets is established according to the price indices of those assets as of 30 September compared to the prices on the same day of the previous year. Since temporary computation of revaluation of fixed assets in quarterly and semiannual statements affords a lower rise of prices and lower depreciation than the final statement, economic organizations must on the basis of the final computation of revaluation of fixed assets also revalue the depreciation computed during the year.

Basic organizations revalue raw materials, supplies, spare parts, stocks of small items, tires, and containers at the end of the accounting period when they compile the quarterly or semiannual statement or year-end statement. The revaluation is done by applying the uniform coefficient obtained on the basis of the rise of producer prices of industrial products or on the basis of the rise of prices in the branch to which the organization belongs or the branch in which its principal suppliers are classified. Work in process, semifinished products, and parts are also revalued according to the same principles that apply to revaluation of raw materials and supplies. Working capital which has been sold is also revalued in that the effect of the revaluation of working capital sold is charged to other business costs, and the effect of the revaluation of inventories is indicated as an adjustment of their value, and it increases their value and revaluation revenues.

At the end of the accounting period economic organizations ascertain the difference between the effects of revaluation and the revaluation revenues on the one hand and the revaluation expenditures on the other. If the effects of the revaluation and the revaluation revenues are insufficient to cover the revaluation expenditures, the difference is charged to the gross income of the current period. The positive difference is added to the business fund. It is not enough, however, for the difference to merely be positive. It must be at least equal to the effect of the revaluation of permanent sources of business assets minus long-term lendings required by law, compacts, or self-management accord. If the positive difference is not sufficient to cover revaluation of permanent sources of business assets so defined, the difference up to that level is also made up by charging it to the gross income of the current period.

This system of revaluation helps to preserve the net worth of economic organizations. Only the real value of the portion of long-term lendings (investments in the Federal Fund..., in republic and provincial funds, in the SIJ of

physical production, investments in development of particular activities, etc.) is diminished. This forced preservation of net worth has very pronounced material consequences. The income of economic organizations will be considerably smaller (in real terms, of course), so that the possibilities of paying personal incomes and financing budget and social service expenditure will also be essentially smaller. Regardless of the greatly reduced accumulation, resources for reproduction will be considerably greater (because of the higher depreciation and the revaluation of working capital). Can changes of this kind in the division of income be accomplished in the present socioeconomic system? Probably there will not actually be any essential changes. Government and social service expenditure will not shrink in real terms, as confirmed not only by trends in past years, but also by projections for 1987. In practical terms this ought to bring about an essential reduction of personal incomes and the social service expenditure of those employed in the economy. Does that suit the workers? It is certain that they will endeavor to prevent that kind of redistribution from happening. And that can be done, specifically by a markedly high increase in the effects of revaluation pertaining to working capital in the form of inventories (work in process, raw materials and supplies, containers, tires, and finished products). Since all those assets carry those higher values into the production process, the warehouse of finished products, or the market in the coming period, the rise of prices will be speeded up drastically. Especially since the price of working capital revalued in this way will once again be increased when the raw materials and supplies consumed and the finished products sold are revalued in the course of the accounting period. It can be asserted with mere certainty that a period of only 3 months (one accounting period) will be enough to double prices. This will not happen in the first 3 months of this year, but it is quite certain that that effect will come in preparing the semiannual statement for January-June 1987.

Debtors Favored

In spite of certain improvements in the system for revaluation of assets, all the essential problems have been left unsolved. There is still no realization that revaluation of items comprising working capital is not necessary, since it results in the opposite effects and above all speeds up inflation. All that is needed and absolutely necessary instead of that is revaluation of economic entities' own money, since during inflation it is only money that loses value. This means that economic organizations ought to be required to revalue the portion of the business fund used to cover permanent working capital, and that amount would be reduced by compulsory long-term lendings. Economic organizations would not be able to support even that kind of revaluation of a portion of the business fund unless they are first given back the expropriated money resources which are today functioning in the form of credits based on primary note issue of the Yugoslav National Bank.

The enactments on revaluation not only are mistaken in their essence; they are also technically unacceptable. This can be proven by taking the example of revaluation of fixed assets. It follows that economic organizations which in large part use long-term credits for fixed assets from domestic sources are in a privileged position by comparison with economic organizations which have

been financing their fixed assets from their own accumulation and appreciation. This can be proven with the following example: two economic organizations have the same unamortized value of fixed assets in the amount of 1,000 units, but Organization A has a long-term credit for fixed assets from domestic sources amounting to 500 units, while Organization B has no obligations under credits for fixed assets. This means that Organization A has 500 units in the business fund, while Organization B has 1,000 units. Since long-term credits from domestic sources are not revalued, the total effect of the revaluation will be the same for Organization A and Organization B (say 800 units) and this will be entered in exactly the same way to the credit of the effects of revaluation and revaluation income, and ultimately it is credited to the business fund (as a positive net balance). Organization B, however, has twice as great an obligation in the revaluation of permanent sources of business assets, since its permanent sources are twice as great (it has no outstanding loans). It follows that those organizations which have been behaving rationally in their distribution and investments are penalized. Is that kind of solution tenable?

Consumption at the Expense of the Future

Application of the Law on Gross Income and Income, also including the Law on Depreciation of Socially Owned Assets, will certainly result in faster inflation, larger losses, and also a completely illogical differentiation of economic entities in which debtors with outstanding long-term loans for fixed assets will be in a more favorable position. A number of exceptions have also been provided for precisely because losses in business operation will be considerably augmented. It has thus been prescribed that economic organizations showing a loss in the semiannual statement for the period January-June of this year may cover the loss by charging it to revaluation expenditures, but only up to the amount which is directly charged in that accounting period to business costs on the basis of revaluation of permanent sources of business assets on the basis of revaluation of depreciation and on the basis of revaluation of working capital charged to business operating costs.

The exceptions are not confined to that provision and do not pertain to this period alone. The Social Accounting Service of Yugoslavia is required within a month from expiration of the period for submittal of the year-end statement and quarterly or semiannual statement to establish and publish the subgroups which have shown a business loss and the coefficient used to calculate how much the portion of the result of revaluation directly charged to costs is to be reduced so that a loss is not shown in the subgroup as a whole. Basic organizations classified in one of these subgroups may during this year and next year decide to reduce the result of revaluation charged to business operating costs in accordance with the coefficient established and published by the Social Accounting Service of Yugoslavia when they compile their periodic and year-end statements. This benefit also applies to 1989 for organizations in the activities of the electric power industry, railroad transportation, fertilizer production, municipal services and utilities, and municipal transportation.

The exceptions are large-scale. Subgroups showing a loss in business operation, regardless of the immensely high rise of prices of raw materials, supplies, work in process, and finished products on the basis of revaluation of inventories, will certainly be in the majority. In that case are the exceptions provided for really exceptions, or are they the rule? If they are the rule, then this means that the enactment cannot be implemented. Is that proof that it should not even have been passed in its present form?

All these exceptions in practice facilitate further expenditure both within economic organizations and also in sociopolitical communities and in SIZ's for the social services at the expense of their net worth. This could have been avoided with a simple and reasonable solution: compulsory revaluation of the economy's own money resources, combined with prior return to the economy of the money that it needs to finance current business operation up to the level of reasonable inventories. The present solutions, regardless of the regulations on revaluation, will contribute to an immense nominal growth of the value of inventories, nor will the hunger for short-term credits even be moderated. The government will still get interest on credits issued from primary note issue as an illegal tax instrument for redistribution of income at the expense of the economy, but also for redistribution between branches and groupings and between regions within the economy.

[Box, p 11, top]

Bankruptcy as a Refuge

"At the level of the entire society I am in favor of the measures of real economy, but I am afraid that we do not have the complete arsenal of those measures. I am afraid that there have also been overhasty steps taken. Since these measures are radical in many sectors, one thing that must accompany them is a program of social welfare measures, which will in any case be compelled in the situations as they arise. There have also been mistakes. There has been quite a bit of pleading for bankruptcy, which is not mistaken from the economic viewpoint. But today we do not have the basic conditions for that bankruptcy. The first and most important condition is that we have a unified Yugoslav market. We do not have it now. And until we do have a unified Yugoslav market, we will not have true bankruptcy. Under present conditions operation continues on in the same old way after bankruptcy, but in a different organizational framework. If someone wants to provide himself a permanent unresolution of the problem, and at the same time not to worry his head too much about it, then--however paradoxical it might sound--it is better for him to go into bankruptcy than to wage the fight to carry out an attractive financial rescue program. I am not certain that the changes in the Law on Bankruptcy will take the job to the end; I am afraid that it will not yield definite results, since we do not have the levers for carrying it out." (Vladan Ikonc, chairman of the Business Board of the Bank of Belgrade, in the newspaper of the bank's work communities)

[Box, p 11, bottom]

Financial Rescue and Bankruptcy

The procedure before and during financial rescue, bankruptcy procedure, and the procedure of regular liquidation have been elaborated in 270 articles. This law is also burdened with a number of norms which strive to regulate an altogether different subject matter, and that is quite understandable since the aim is to make up for the lack of economic interests, responsibility, and normal behavior of economic entities by writing legislation.

The main problem related to the business operation and termination of operation of enterprises is not that bankruptcy is such a rare phenomenon and business loss such a frequent one in Yugoslavia (just as in the other socialist countries), but in the fact that bankruptcy does not mean any considerable loss in specific terms for those employed in the organization which is terminating operation, even though they have adopted all the business decisions, frequently only as a formality. This basic defect of the system cannot be handled by this law, and that is precisely why it abounds in declarative provisions which cannot be applied.

Many examples show how burdened the law is with solutions of this kind. Article 47 prescribes all those who must be informed about the opening of financial rescue proceedings (the basic organizations with which a self-management accord on association has been concluded, the competent body of the sociopolitical community, the competent body in the republic or province, the bank, self-managing communities of interest, the association in the economic chamber, the social accounting service, the competent court), while Article 49 prescribes specifically everything that the financial rescue program must contain (the amount of total loss and the loss not covered, the reasons why the loss occurred, the measures to correct them, the manner in which resources will be furnished, the duration of the financial rescue, and possibly also the plan for modernization, reconstruction, and expansion of capacity, measures for optimum business operation, improvement of the organization of work, etc.). Article 93 offers a still better example of the real powerlessness of legislation; it reads as follows: "If it is found that illiquidity, disturbances in business operation, or losses in business operation of a basic organization have occurred because of the proposals, initiatives, and opinions of the economic chamber, a scientific, professional, or other self-managed organization or community, or competent body of a sociopolitical community, such organizations, communities, and the competent body of the sociopolitical community shall bear sociopolitical and other responsibility as set forth in law or general self-management act."

An attempt to establish economic penalties for organizations in procedure for financial rescue and bankruptcy has not been successful. Everything comes down to limiting the level of the personal incomes of those employed in organizations during the period of financial rescue and bankruptcy, although exceptions are provided for even to those restrictions. There is also the possibility of a separate reduction of the personal incomes of members of the bodies of self-management and professional management and of workers with

special authority if it is found that they are responsible for the disturbances that have occurred in business operation, the illiquidity or the business loss.

Since the number of organizations operating at a loss will certainly increase this year and next (in part because of application of the Law on Gross Income and Income), broad exceptions have also been provided for--bankruptcy will not be conducted in 1987 and 1988 against organizations whose prices are subject to direct price controls imposed by the Federal Executive Council.

Exports: A Calculation Devoid of Encouragement

Probably one of the most serious current issues in the Yugoslav economic crisis is how much we should export in order to drop from 45 percent to 25 percent the proportion which in economic theory and practice is considered the upper limit of the supportable burden of a country with foreign credits. The issue takes on more drama when the specific numbers are plugged in. That is, according to one of the possible scenarios of the development of events, \$8.5 billion is to be paid up to the year 1990 just to pay off credits which have already been spent. Further, the sum of \$16.5 billion has to be added to that for medium-term and long-term credits (also spent), on which the repayment would average \$3.3 billion a year. All in all, at least according to this calculation, we should count on an outflow of foreign exchange amounting to \$5.4 billion a year up to the year 1990. Of course, it is not irrelevant to repeat that this is an outflow of foreign exchange that does not represent even 1 pro mille of new investment. In other words, along with the extreme efforts to maintain augmented exports, there remains the open question of where financing is to come from for the development of the economy, and at the same time it has been quite clear for several years now that the Yugoslav economy is unable to offer the world market any more sophisticated specific product than shoes, textiles, and furniture. If we add to this way of looking at things the figure that it will take between 10 and 15 years to restructure the economy to any serious extent, then the projections of the Resolution on Economic and Social Welfare Policy for 1987 does not offer even a whit of optimism, to put it mildly.

Davor Savin has presented an interesting calculation in public. In order to increase the social product by 3 percent a year various goods will have to be imported in an amount between \$12 and \$13 billion a year. Exports of goods and the invisible inflow from remittances and tourism (according to the present trend) would bring in between \$13 and \$14 billion a year, which would make it possible to reduce the servicing of the foreign debt from 37 to 25 percent. Yet to maintain a 3-percent growth rate of the social product convertible exports would have to grow at an annual rate as high as 18 percent! Any lower exports to those markets would, of course, raise the level of servicing of the foreign debt and significantly diminish imports, which in turn would, of course, reduce production and further opportunities for the economy to develop.

However, what will happen if exports to the convertible payments market should be less than 18 percent a year (up to the year 1990), which is a much more realistic variant in view of past experience? Radovan Kovacevic of the Foreign Trade Institute in Belgrade has offered the public a calculation for the case when the growth rate of exports is 5 percent. In this case, assuming that the total repayment of principal amounts to \$5.4 billion, the level of servicing of the debt reaches a level of a drastic 50 percent in that year. The drop in that rate to a supportable 25 percent presupposes that exports must increase between 1987 and 1990 (to the convertible markets) at an unlikely rate of 35.7 percent a year.

In these forecasts, which are not rosy in the least, one, of course, spots a new rescheduling of the debts as a solution. Whether this is realistic vis-a-vis the foreign creditors is impossible to answer. There are not even many indications on which to base a guess. The prestigious British weekly THE ECONOMIST has offered its readers a list of developing countries classified by the level of business risk in view of possible destabilization. Of the five possible groups (ultrarisky, very risky, high risk, moderate risk, and low risk) Yugoslavia headed the group of countries judged to be moderately risky.

What in the meantime has happened and is happening on the domestic scene? If we leave out adoption of the Resolution as a planning document which has remained at the level of proportions in no way backed up to the effect that production should grow so much and so much, exports so much and so much, and imports again so much and so much, then there is good reason to say that the economy has entered the new year with no change in the conditions for its economic activity. At one time, we will recall, following several groups of proposed changes popularly referred to as "packages" the FEC came out in the fall with proposals for changes in the country's economic system. Some of the intentions of those principles passed over into the legislative amendments which the SFRY Assembly adopted in late 1986. But, as is well known, most of the ideas contained in the Theses were actually programmed, and only a portion of them will take effect at the beginning of this year and some of them at mid-year. As for foreign economic relations, whose effects are most crucial to the tightening of the noose around the economy's neck, they are to be the subject of an all-inclusive debate in the SFRY Assembly which is supposed to produce changes in the legislation that would take effect this year. The debate did not occur, and the new year began in the old way. It has been learned unofficially that even the Federal Secretariat for Foreign Trade itself is not making any particular effort on any "package" to improve conditions for expansion of exports. Meanwhile, however, it is obvious that the secretariat itself is in no position to initiate anything of the kind. That is, the people employed there in that area are working at the moment to develop a strategy for exports to certain groups of countries. Without intending to underestimate that job, it still seems that the solutions lie on a broader plane where, however, there is no political readiness to tackle the heart of the problem. That seems to lie in the well known relations whereby the exporting capability of a country's economy cannot be built over the long run merely by a system of export incentives and the system of import permits and prohibitions. Parallel to this, of course, there must be the question of the value of the dinar, which is not only overvalued, but is untenable when it comes to relations

between exports and imports (how much the dinar costs when things are being exported and how much when things are being imported).

All the estimates of the most influential world institutions indicate that world economic flows will bring the advanced part of the world stable proportions in more moderate growth. The advanced part of the world, according to the estimates of the International Monetary Fund, would have a 3.1-percent growth rate of production. The rate of inflation in that part of the world (estimate) was 2.5 percent in 1986, and it will drop further in 1987. The demand for goods from that part of the world will increase somewhat, but this will be a demand for high-quality goods. On the other side, although the developing countries should also anticipate a somewhat higher growth than this year--2.9 percent as compared to 2.7 percent in 1986, the petroleum exporting countries will according to this estimate have a growth of production of only 0.5 percent. This will, of course, result in a considerable drop in their purchasing power, since it is estimated that these countries will sail out of the waters of a payments surplus into the waters of a considerable payments deficit, which according to estimates could go as high as \$22 billion.

It is obvious in that context that in 1987 Yugoslav goods will be still harder to sell on foreign markets. Especially since the range of available goods for Yugoslav export is not by any means an exclusive assortment. On the contrary, textiles, furniture, clothing, food, and even automobiles are not goods where the competition of the supply is slight. In this sense the illnesses of the Yugoslav economy in its development have yet to come to collect their price.

7045

CSO: 2800/104

SUMMARIES OF MAJOR EINHEIT ARTICLES, DECEMBER 1986

East Berlin EINHEIT in German Vol 41 No 12, Dec 86 (signed to press 12 Nov 86)
pp 1058, 1142

[Summary of excerpts from speech by Willi Stoph, member of the SED CC Politburo and chairman of the Council of Ministers, entitled "Local Organs of the State in a New Phase of Shaping Developed Socialism" (published in full in this report), from concluding speech by Egon Krenz, member of the SED CC Politburo and secretary of the Central Committee, entitled "Successful Development of Local Politics--Of Great Importance for Peace and the People's Well-Being" (published in full in JPRS: EAST EUROPE REPORT JPRS-EER-87-006, 12 Jan 87 pp 88-97), and of the conference report by Prof Dr Horst Steeger, rector of the Academy for Political Science and Jurisprudence of the GDR, entitled "Best Experiences for Advancing with Success." Pp 1065-1097]

[Text] The Topic: Socialist Communal Policy--Performance Oriented and with Civic Relevance

The centerpiece of the conference the SED Central Committee and the GDR Council of Ministers held with the chairmen of the kreis councils and the municipal and city-district mayors were the local state organs' tasks, requirements, and experiences in implementing the 11th SED Congress resolutions.

[Summary of article by Wolfgang Nordwig, graduate physicist, R&D Chief in the VEB Carl Zeiss Combine Jena and head of its research center; pp 1098-1102]

[Text] Pushing for Top Achievements

Ensuring the combines' performance development through top achievements in the upgrading process of production crucially depends on the quality, management and organization of the R&D process. What aspects have to be taken into account in getting set for tasks? How does one motivate an undeterred effort toward world top standards? How does a combine ensure top personnel for top performances? Widely valid answers to all that are coming out of the successful R&D efforts of veb Carl Zeiss Jena.

[Summary of article by Prof Dr Lothar Hummel, department chief at the SED CC's Central Institute for Socialist Economic Management; and Rudi Rosenkranz, general director of the VEB Textima Combine; pp 1103-1108]

[Text] CAD/CAM in the Service to Man

Placing CAD/CAM stations in our combines in such a way that together with maximum production growth better, personality-promoting working and living conditions are created calls for conceptions that contain and coordinate all the requisite measures for it. What experiences did the Textima Combine gain in preparing and applying them? How can one motivate and train the working people for it?

[Summary of article by Prof Dr Wolfgang Rudolph, director of the GDR's Central Vocational Training Institute and corresponding member of the Academy of Pedagogical Sciences, GDR; pp 1109-1114. A full translation of this article is published in a recent JPRS issue of EAST EUROPE REPORT: ECONOMIC AND INDUSTRIAL AFFAIRS]

[Text] Advanced Training--A Top Priority Requirement

Learning, advanced training accompanies man's responsible actions throughout life in socialist society. What processes, particularly, call for advanced training measures in accordance with the economic strategy and, especially, for coping with the key technologies? About the high responsibility of the combines as the chief initiators and coordinators of advanced training measures.

[Summary of article by Prof Dr Karl Seidel, member of the SED CC, department chief in the SED CC and member of the Academy of Sciences, GDR; and Dr Eckhard Wetzstein, graduate social scientist, sector chief in the SED CC; pp 1115-1121]

[Text] The Citizens' Health--Our Most Precious Good

The 11th SED Congress has confirmed that steadily perfecting the health protection and medical and social care of the citizens is among the most important sociopolitical concerns in our society. Results of a purposeful health policy. What is the basis for the growing demands made on health and social welfare in the continued shaping of the developed socialist society? What is needed to fully tap the qualitative factors of performance growth for boosting labor efficiency and its quality? What demands arise from there for the political leadership activity?

[Summary of article by Rudi Hellmann, graduate social scientist, department chief in the SED Central Committee; pp 1122-1128]

[Text] Of the Value of Socialist Physical Culture and Sports

The 11th SED Congress has stressed the growing importance of physical culture and sports for the communist education of the young generation, for all-round personality development, and for enriching the way of life. This increases the responsibility of the DTSB in the GDR and of other social and political forces in tapping the value of sports activities for more and more citizens and making sports activities still more attractive and diversified. That is being helped, in particular, by getting set for the Eighth Gymnastics and Sports Festival and the 11th Childrens' and Youth Spartakiade 1987 in Leipzig.

5885

CSO: 2300/156

STOPH LAUDS LOCAL ASSEMBLIES' PROGRAM

East Berlin EINHEIT in German Vol 41 No 12, Dec 86 (signed to press 12 Nov 86)
pp 1065-1078

[Excerpts "from" a speech by Willi Stoph, member of the SED CC Politburo and chairman of the Council of Ministers, delivered 23 Oct 86 at a conference of local government officials in East Berlin: "Local Organs of the State in a New Phase of Shaping Developed Socialism"]

[Text] With its fundamental decisions the 11th SED Congress initiated a qualitatively new phase in the further shaping of the developed socialist society in the GDR and persuasively presented our socialist state's new domestic and foreign policy tasks. Proceeding from a Marxist-Leninist analysis of social development and from the successful balance-sheet on our course thus far, it affirmed the consistent continuation of our policy, aimed at the people's well-being, the strengthening of socialism, and the safeguarding of peace. The well-tested course of the main task with its united economic and social policies will continue to determine our conduct. The 11th SED Congress resolutions, ranging into the far distant future, are also setting new qualitative criteria for the efforts of the local state organs.

The object of the conference the SED Central Committee and the Council of Ministers of the GDR are holding with the kreis councils and the municipal and city-district mayors is to draw from the 11th party congress resolutions the inferences for refining the efforts of the local state organs, assess the results reached thus far in the implementation of its resolutions, and convey the progressive experiences so they can become a common good.

The months behind us were imbued with the working people's contest in socialist competition toward implementing the 11th party congress objectives through high achievements. In full optimism and justified pride we may say: the working people in our republic have firmly made the 11th party congress resolutions their own. Everyone can convince himself in everyday life that our party and state policy is pervaded deeply by the noble goal, as Comrade Erich Honecker put it even at the eighth party congress, "to do everything for the good of man, for the happiness of the people, for the interests of the workers class and all working people. That is the meaning of socialism. For that we are working and struggling." (Footnote 1) ("Bericht des Zentralkomitees an den VIII. Parteitag der Sozialistischen Einheitspartei Deutschlands," Dietz publishing house, Berlin, 1971, p 5).

The consistent implementation of the economic strategy as issued by the 11th party congress with an eye to the year 2000, the close linkage of the advantages of socialism with the accomplishments of the scientific-technical revolution, and the accelerated development of the key and high technologies are the crucial conditions for fulfilling the tasks issued by the party congress for the further shaping of the developed socialist society--while relying on the working people's energy and diligence.

Safeguarding Peace--Basic Prerequisite for Social Progress

An indispensable basis for our further advances is the deepening of our fraternal cooperation with the Soviet Union and the other fraternal socialist states. Day after day the working people can convince themselves that our party and our workers and farmers state are doing all they can to preserve peace in the world through our fraternal alliance with those states and together with all the forces of reason and realism, tame the policy of confrontation in which the most reactionary imperialist, mainly U.S., circles are engaged, end the arms race on earth and bar its extension into space. Preserving peace is the basic prerequisite for the survival of mankind in the nuclear age and thus also for any social progress.

We assume that the recovery of the international situation is feasible through removing political and military confrontation once the forces of reason and realism find each other in the struggle for peace, disarmament, and normalcy in international relations and this struggle assumes a breadth as it never had before. That is being supported by the socialist peace and disarmament proposals. They assume that in the world of today there can be no security for some at the expense of others. Security in the nuclear age can only mean the security of all.

For the further development of the international situation, the relations between the USSR and the United States, especially the fulfilling of agreements made in Geneva, remain decisive. That was the reason why the peace-loving forces all around the world placed great expectations on the Reykjavik summit between Mikhail Gorbachev and Ronald Reagan. The new and far-reaching proposals submitted during that meeting by the Soviet Union were accepted unanimously by the peoples. The accords already tangible there aroused great hopes. Unfortunately the generous offer from the Soviet Union did not meet with the requisite U.S. cooperation as the United States, through SDI, is still seeking military supremacy.

Reykjavik once again revealed to all the peoples where the obstacles lie on the way to arms limitation and disarmament, to preventing a nuclear conflict on the earth and in space. That will lend the forces of reason and realism--even in Western Europe and in the United States as well--new impulses for thwarting the anti-human strategy of the military-industrial complex. That makes it all the more important to use the chance and see to it that the question of war or peace is settled in favor of peace.

However intricate the situation today, we perceive not only the urgency but also the possibility of a turn to the better in international relations.

Our efforts are aimed at using and enlarging this opportunity, transforming it into the reality of secure peaceful cooperation among nations and states. For that reason the GDR is placing its policy of dialogue on the top level at the service of explaining and implementing socialist peace policy.

The GDR is taking part, as actively as constructively, in the multilateral dialogue on security and cooperation in Europe. It will do what it can to provide the Vienna follow-up conference on security and cooperation in Europe with a constructive sense of open-mindedness so that its results will bolster and deepen the CSCE process. Above and beyond the borders of our continent the GDR is participating in the multilateral international dialogue on peace, disarmament, and peaceful cooperation.

This our policy of principle also applies to our relations with the FRG. Whatever we announce and do with respect to the FRG is governed by the need to preserve peace. The duty to do everything so that never again war but only peace emanates from German soil is also incumbent on the FRG, where evidently some politicians still find it difficult to reconcile themselves to the realities of our time.

Experiences in the Implementation of the Party Resolutions

As commissioned by the 11th SED Congress, the Council of Ministers concentrates on perfecting the complex management of decisive economic processes, exercising its ever more effective coordination function, expanding the duration of its activities, organizing a still more effective control over tasks decided on, and providing a rapid and all-inclusive generalization of optimum experiences.

The 11th SED Congress assignment for the work of the local state organs lies in using still more intensively the territorial opportunities for performance growth and civic well-being through the concerted efforts of the people's representations, enterprises, and facilities and with a broad participation by the working people. They are to see to it actively that comprehensive intensification is made to prevail in their area of responsibility, ever improving territorial reproduction conditions are created for all combines and enterprises and the local reserves are explored for efficiency and effectiveness development. That also is the way to implement the law on the local people's representations. The combines under bezirk management, the local supply economy, and all other enterprises and facilities are now weighing the introduction of modern technologies in conjunction with rationalization and a higher capacity use of the available basic assets. The coordinated cooperation among all territorial enterprises and facilities also proves in this field an important source for rapid advances.

The local organs of our streamlined socialist state power share a high obligation for the further shaping of socialist democracy. To that end one has to develop further the close cooperation between the local people's representations and their councils and the citizens. The local councils have dealt thoroughly with the 11th party congress resolutions and made an initiative-rich start in solving the qualitatively new tasks for the kreises, towns and communities resulting from them. They have successfully focused all their activities

on the new party congress criteria and are making an ever increasing contribution to the implementation of the main task with its united economic and social policies.

What is new in the work of the local state organs after the 11th party congress?

1. Wholly in terms of implementing the economic strategy, they are paying more attention both to comprehensive intensification and securing and systematically elevating the citizens' material and cultural standard of living. The relevant, civic, and pertinent effort is reflected, e.g., by that the comrades on the council of Dresden City have organized through a broad democratic process the elaboration of the urban development conception up to 1990 within the scope of the basic 5-year plan design of the bezirk. Proposals from deputies, enterprises, colleges, and citizens in the residential areas are sought after and given attention. That stimulates the willingness to take part in coping with ambitious goals even before the decision is made on such a document.

Such a working method, practiced also in other councils, provides visible results in securing economic performance improvements and housing improvements, in public supply and health and social welfare, and in enriching our intellectual-cultural life. This way advances are made on all sectors which lead to a tangible improvement of the quality of life in the territory. The local councils are adapting the complex efforts of all sectors more at the everyday rhythm of life of the inhabitants in the territory. What matters now, in implementation of the 11th party congress resolutions, is skillfully further to develop what has stood up well, creatively enter new pathways, and take new initiatives.

2. The local people's representations are playing a greater role in directing the social, economic, and intellectual-cultural development in the territory. The local councils are presenting more substantial accounts to the people's representations and are setting increasingly better political-ideological and organizational preconditions for their being able to assume their competencies comprehensively. It has been found suitable to present proposals to the people's representations that allow the deputies with their rich political experience and specific technical knowledge to assume concrete missions serving plan fulfilment or the expert preparation and implementation of important resolutions.

3. The local councils have been making greater efforts to create favorable reproduction conditions for high performance and efficiency growth in all their territorial combines, enterprises, and cooperatives while simultaneously further improving the citizens' working and living conditions. They are developing initiative-rich work in fulfilling in every way and surpassing in a targeted manner the economic tasks in their own areas of responsibility. In carrying out these tasks they are taking into account the increasing inter-linkage in the social, economic, and intellectual-cultural development and are taking an increasing account of that requirement through complex management activity. Throughout their activity they effectively concentrate on

assisting the combines and enterprises in the manufacture of top products made at good qualities and low costs by use of key technologies. And then also, together with the enterprises they resolve tasks that perceptibly improve the life of the citizens in the towns and communities.

4. Many local councils, relying on critical analysis and on optimal value comparisons, have produced a creative atmosphere in their collectives. They keep improving the responsibility assigned them for implementing the unified state policy. That increasingly informs the working style of many managers and associates. They are more vigorously challenging humdrum behavior and smug laziness, which invariably lead to losses in speed and efficiency. All that is of fundamental importance for further perfecting and using socialist democracy, the broad involvement of the citizens and of all the social forces united in the Democratic Bloc, the National Front, and the people's representations in implementation of our state policy.

5. In terms of our economic strategy the local councils have increased their efforts in upgrading the development and production of consumer goods, including the thousand small items and spare parts, and in ever better satisfying the population's growing quality demands. Relying on domestic raw materials and by exhausting all the potentials of concerted territorial efforts and the use of proven traditions of the cooperative and private crafts, the demands of high-grade production and reliability are met.

6. The mayors, who enjoy a high reputation in our state, are doing committed and responsible work through their vital activities in implementing the policy of our party and our socialist state. Through their frequently longtime practical experience and their political and technical knowledge, they are prudent and circumspect in developing the citizens' initiative and readiness for active participation. Heading the council, our mayors, commissioned by the people's representations, are ever more effectively organizing the concerted efforts in enterprises and cooperatives, using more intensively that way the local potentials for performance growth and the further improvement of the citizens' working and living conditions. Through their many personal contacts with the population, their authority has grown further and they, together with the deputies, have become a trusted bond between our state and its citizens.

The Territory--Important Source for Enhancing Economic Efficiency

The goals for the years 1986 to 1990, as contained in the 11th party congress directive on the 5-year plan for GDR economic development, are shaped by the economic strategy requirements. They govern all we do. Meeting the tasks assigned is imperative. Their resolute realization is necessary so that, in spite of altered external conditions, the planned elevation of the material and cultural standard of living is attained, the GDR is consolidated in every way, and it can also in the future meet its responsibility to strengthening real socialism and continue to make its constructive contribution, alongside the Soviet Union and the other fraternal socialist countries, to the preservation of peace.

We have up to this point made good headway in implementing the 11th SED Congress resolutions. In spite of this by and large positive development, we cannot overlook, however, that partly there exist considerable performance differentials among the kreises and, within the kreises, among enterprises and cooperatives. The Council of Ministers charges all bezirk and kreis councils to guarantee for sure the all-round fulfilment and targeted overfulfilment of the 1986 national economic plan. That has to be combined with thoroughly preparing the 1987 plan. The premises have to be laid for all combines, enterprises, and cooperatives to come up with high achievements on each working day and for smoothly meeting all production and sales quotas.

All-round plan fulfilment means accomplishing the production at the planned material structure, at high grade, and in accordance with the contracts made. All-round plan fulfilment also means coping with the tasks by means of the material and financial funds available and making a higher contribution to cutting production consumption by way of returning funds to the state in the form of State Bank checks. In this complexity the everyday plan fulfilment has to be rigidly directed by the local councils. For that one has to react to problems suggesting themselves in a timely fashion and resolve them together with the working people. To that end each local council must constantly compare the results in its own area of responsibility with the optimum values achieved in the republic, evaluate them critically, and make constructive decisions on improving its own performance. One's own reserves, which still exist everywhere, must first be consistently mobilized and tapped in the interest of good results.

Our economic strategy is aimed at enforcing the comprehensive intensification of the economy as the basis for dynamic and permanent growth in all sectors. A still more effective connection between the advantages of socialism and the accomplishments of the scientific-technical revolution comes first and foremost. That applies particularly to the broad development and application of the key technologies. A cardinal importance attaches to these technologies, which--as shown by worldwide developments--are spreading rapidly while they are also developing further qualitatively at rapid steps. Creating ever better territorial reproduction conditions for it is one of the essential aspects of the local state organs' overall state responsibility.

A good example of it is furnished by the work in the city of Jena. Important science and production capacities of our country are concentrated in the territory of that city so rich in traditions. Proceeding from its responsibility for the territory, the council of the city of Jena derives ambitious tasks from it.

The manner in which the Jena comrades approached their solution is instructive, with respect for concrete conditions, for all cities and kreises. The city council, the Carl Zeiss Combine Jena, and all territorial enterprises and facilities combine their capacities for efficiency increases and improvements in the population's working and living conditions. Thereby they also contribute effectively to ever closer ties between science and production. Such well organized and long-range cooperation is of benefit to the large efficient economic units in the territory like the Zeiss Combine as well as to the enterprises and facilities under the local council including the cooperative and

private crafts. Fine results were achieved, particularly, in the rationalization means production, the tapping of material reserves, the rational use of water and the improvement of commuting, the shopping conditions and the beautification of the city. Through joint efforts we are putting in order what is not yet in order. It reveals socialist communal policy toward strengthening our state and its economic capacity for the good of all citizens in a persuasive manner.

All kreis councils face the task to pay great attention, on behalf of performance and efficiency development and for the sake of the citizens, to the planned development and effective use of the social labor capacity, the technical and social infrastructure, and the natural resources and environmental conditions while engaged in their management activity. It is of crucial economic importance to create all necessary territorial prerequisites for central priority production and scientific-technical projects. Working with territorial standby programs in the bezirk and kreis councils has proven beneficial in this regard. They are drawn up jointly by the councils, combines and enterprises. These programs contain measures relative to the use of labor, the availability of apartments, the local building capacity, energy and water, and commuting. What matters now is that the kreis councils strictly control the implementation of these programs and, above all, concentrate the work of the kreis planning commissions more on questions that serve to shore up such priority projects.

Enforcing the economic strategy is inseparable from rapidly pushing territorial rationalization ahead and thereby tapping further performance and efficiency reserves. The local councils' responsibility is increasing in this area. They have to manage territorial rationalization along a uniform concept and have to see to it that the projects set down are included in the plans of the participating enterprises and that the fulfilment of the tasks is checked accurately, with accounts presented to the people's representations. Longtime experience has confirmed that an initiative-rich cooperation of the kreis, municipal, and communal councils with the enterprises, cooperatives, and institutions and of the enterprises with one another, by way of territorial rationalization, can tap considerable economic reserves and also improve the citizens' working and living conditions.

The kreis councils have an important responsibility for developing consumer goods production in conformity with growing public needs and export requirements. They have to make sure that consumer goods production is increased by the traditional manufacturers as well as by the combines and enterprises that primarily produce the means of production. That calls for committing local reproduction conditions and territorial resources in such a way that in each enterprise a higher contribution is made to boosting the output and to developing and producing new consumer goods at a high technical grade and fine quality.

Greater efforts also are needed for producing the thousand small items. For that the kreis councils must get still more support from the consumer goods pilot offices in the bezirk councils, especially through passing on ideas, suggestions, and recommendations from commerce and on the basis of central orientations. From analyzing the supply situation the local councils know

best which commodities are most in public demand. They should use such knowledge to help expedite consumer goods production.

The economic strategy starts from ensuring production growth while trimming the specific energy expenditures. That calls for rigorously implementing everywhere a rational energy use and conversion as the main source for meeting the growing energy demands. The SED Central Committee Politburo and the Council of Ministers set down concrete assignments for it with their economic program for rational energy use till 1990. That program serves each bezirk and kreis council as a guideline for further efforts in this field.

More consistently than so far one will have to work on replacing electrical heaters and on providing nocturnal storage heaters with microelectronic controls. Many energy economy effects can be achieved through using secondary energy, energy-economical construction, and the abiding by room temperatures as authorized. The local councils' high responsibility for effective energy economy can be glimpsed from that almost half of our energy production goes to the locally managed sector and for public consumption.

Through collecting secondary raw materials from the households of the population and from the areas under council management, the kreis, municipal, and communal councils are assuming a task of economic significance. Right now from households alone raw materials at a clip of M 1.4 billion are collected for important economic branches. To boost such output further one will have to make a more intensive use of the collection network and expand it further in new construction areas. It has been found useful to operate differentiated working hours there in conformity with local conditions and the citizens' dumping habits, even in evening hours and on weekends.

The strategic objective for further reducing production consumption implies trimming expenses for the transport and transshipment of goods. The SED Central Committee Politburo and the Council of Ministers issued comprehensive measures in recent months on railway performance development and a rigid handling of transport and transfer processes. On this basis there have to be carried out in each kreis and bezirk, in coordination with the railway managements and administrations, targeted measures for rationalizing transports and organizing the transfer of goods. That includes manpower assistance and recruiting school graduates, especially as engine-drivers, yard-masters, and signal-box personnel, but also improvements in the housing, working, and living conditions of railroad personnel. The joint programs that are aimed at it, as between the councils and the railway administrations, have the same place value as the territorial standby programs for selected economic priority projects: their implementation must be painstakingly supervised by the bezirk and kreis councils.

In the past years, under council guidance, loading and unloading teams have been set up in many kreises. The work of these teams is especially effective when it is organized by means of dispatch centers directly through the railway stations in conformity with incoming loads, as it is already being done at Haldensleben Kreis. The time has come to proceed that way in each kreis. Greater efforts also have to be made to overcome the now still considerable decline in the loading and unloading performance on weekends.

The target-directed, effective utilization of the social labor capacity is of fundamental importance for boosting labor productivity. Combines and enterprises must become more efficient through using all the labor available in the territory and the grown educational and skill level of the working people. Then also, the bezirk and kreis councils, in conformity with economic requirements, have to make in good time the necessary and more long-term decisions on the development of the occupational structure, vocational training, and vocational counseling.

Comprehensive economic intensification calls for vastly more increasing the capacity use of production equipment. In each kreis one has to prepare well politically and carry into action the measures needed for it and the multi-shift labor in the territory together with all enterprises and social forces, mainly the trade unions and the FDJ. Attention has to be paid from the outset to social concerns and needs, and the tasks deriving from that have to be resolved together with the plans.

A fundamental task of the state organs is and remains the permanent guarantee for the basic right, comprehensively implemented in our country, each citizen has to work. For that reason the kreis, municipal, and city-district councils should also see to it that employment offices more skillfully exercise civic counseling and job referral in the future. The main thing is to recruit citizens for jobs through which they can in terms of their qualifications contribute best to economic performance development.

Man--The Measure of All Things

The 11th party congress confirmed the program goal of solving the housing question as a social problem by 1990. More than ever it now matters in the local councils' management activity that the copious means planned for housing construction are concentrated on those high-priority areas where the citizens' housing conditions must most effectively be improved. Especially in the kreis towns, mainly in small and medium-size towns, urban construction has to be directed and planned in its unity of new construction, reconstruction, modernization, and maintenance and by strictly abiding by the governmental expenditure ceilings.

To implement the ambitious tasks of modernizing more than 470,000 apartments till 1990, boosting apartment new construction and reconstruction in single sites, and increasing building repairs by 135 percent, the kreis councils must provide a high rate of performance development in kreis-managed construction. Productivity and quality must go up decisively. Important tasks arise for further construction in our capital Berlin as our country's political, economic, scientific, and intellectual-cultural center. Our youth with its "FDJ Berlin Initiative" will continue to have an outstanding share in it.

To meet the tasks of kreis-managed construction, all kreis councils must pay the greatest attention to the acceleration of the scientific-technical progress. Above all the R&D capacities in the state-owned kreis construction enterprises must faster be expanded by using available cadre proper as to qualifications. That way alone also can the kreis construction enterprises better meet their responsibility as scientific-technical centers for the development and broad

general application of progressive technologies and proven innovations. To enhance productivity in modernization and repair, the kreis-managed building trade must more broadly and quickly bring in top technologies.

For settling the housing question, skilled housing policy efforts by the kreis, municipal, and communal councils toward better utilizing the available and steadily growing real estate is of great weight. Considerable reserves can be tapped by an expert management and fast reoccupation of apartments vacated through moving and reconstruction. The possibilities of apartment exchange must be better utilized as directed by the dwelling units management decree. Generally speaking, the kreis, municipal, and communal councils must still more involve the citizens, the deputies, the territorial and enterprise housing commissions, in short all the social forces, in resolving the housing policy tasks.

According to the 11th SED Congress resolutions, agriculture, forestry and the foodstuffs industry have to be further developed as an efficient part of the economy. The output of foodstuffs and of agricultural and forestry raw materials must be ensured proper as to demands in volume, structure and quality out of their own production efforts, stably, and at constantly increasing levels. Each kreis has to boost its efforts toward fulfilling and exceeding the plans. That calls for thoroughly analyzing the fine development of the grain harvest in the last 3 years, using the experiences gained thereby, and drawing inferences for boosting and stabilizing the yields in all other cultures as well, especially in sugar beets, potatoes, and silo corn. Science and technology data have to be used consistently for it, and the top production experiences must find mandatory application everywhere. All qualitative growth and intensification factors, especially the mechanization, chemical and amelioration treatments, have to be used in interaction in the LPG's and VEG's. The kreis councils have to make sure that key technologies are more vigorously used.

Further boosting production requires a more efficient use of each square meter of soil and a systematic elevation of soil fertility. That implies further irrigation and drainage measures for agricultural acreage, mainly through simple procedures. That is of special importance for produce acreage to ensure stable public supplies out of our own cultivation all throughout the year and a higher degree of municipal and communal self-supply with vegetables. The point is to be made that new science data on improving soil fertility are being more and more broadly applied. All kreis councils have to see to it that maximum yield conceptions are steadily be brought up to date through the use of science data and the cooperative farmers' and workers' rich store of experience. That holds true also for the maximum performance conceptions in livestock production.

Following the experiences of Gera Bezirk, all LPG's and VEG's are now working as cooperatives and have charged their cooperation councils with economic management functions. Now it is necessary thoroughly to analyze the established know-how in the kreis councils and to lend effective aid and support especially to those cooperation councils that assumed economic management functions early this year. All-inclusive aid is to be given to the preparation of developmental conceptions in the cooperatives up to the year 1990.

The performance growth and internal consolidation of the LPG's and VEG's categorically demand a higher level of socialist industrial management. That is of crucial importance for applying the economic strategy in the LPG's and VEG's and for boosting the yields per hectare and the performance per animal while reducing the expenditure in live and embodied labor. Considerable disparities exist in this regard among comparable LPG's, VEG's, and kreises. It is a priority task for the kreis councils to exploit important reserves through eliminating those inequalities. That calls for more consistency in scientific labor organization and the use of rational technologies as well as for higher speed in modernizing and rationalizing the capital assets.

Inseparable from boosting agricultural production and its effectiveness is the development of the socialist village as the center for the farmers' work and life. Well tended villages are wanted that are distinguished by good living conditions, an active social, intellectual-cultural, and athletic life, and a close community among the villagers. That also means that the LPG's and VEG's give greater assistance to village development and use more of their material and financial potentials for it. Fashioning a productive socialist village implies exploiting all territorial potentials in working together with the local organizations of the Peasants Mutual Aid Association, the Union of Small Gardeners, Settlers, and Small Livestock Breeders, and the other social forces in the village. That includes particularly the further encouragement given to individual production. In sensibly complementing social production, it helps increase self-supply in towns and communities, especially in fruit and vegetables.

The 11th party congress directive for the 1986-1990 5-year plan charges the state organs with the mission to further consolidate the conditions for social security and comfort for the citizens, increasingly respond to their differentiated needs, and promote the formation of socialist modes of thinking and conduct. For that the local state organs have to make ever better use of the territorial possibilities and further improve, above all, youth education and training, the housing conditions, intellectual-cultural life, the supply situation, health care and social welfare for the citizens and, generally speaking, all that pertains to the working and living conditions. They are thereby creating a social climate that greatly affects the citizens' well-being while it aids their performance readiness and initiative.

An important communal policy task lies in comprehensively preparing youth for working and living in socialist society and setting up the territorially optimum conditions for it. Through the substantive further development of the schools and their close bonds with practical life, the socialist enterprises, mainly through polytechnical instruction, have more and more turned into places for training and educating the young people. It has been found useful that most kreis councils periodically evaluate the quality of polytechnical instruction and confer on further tasks with the chiefs of enterprises and cooperatives. We must more than we have thus far open up new possibilities in cooperation with science institutions to bring school youth closer to interesting and ambitious science and technology projects.

Care and good kindergarten and day-nursery education, the punctual and assured promotion of the pupils, and a diversified and interesting structuring of

of leisure times and vacations, making use of all the territorial potentials up to including reliable heating provisions for educational and care institutions. That also includes providing the requisite personnel and material conditions for taking care of children and adolescents in the Youth Aid Homes. We are holding on to assuring all children above 3 years of age, if their parents want it, of care, education and school preparation in a kindergarten. Primarily, we will have to improve the chances for children to find placement close to where they live.

The local councils bear a high responsibility for implementing the youth law and for supporting the "11th SED Congress Youth Rally." It has been of benefit for council members and political associates to appear in confident talks before juveniles and thoroughly exploit their recommendations. The firm grounding of youth policy tasks in overall council activity and the close cooperation with the FDJ keep asserting themselves as important premises for successful political work.

Culture and art have great chances to contribute effectively, mainly among the youth, to personality development, the spreading of creativity, and sensible leisure time organization. Therefore the local councils, together with enterprises, cooperatives, cultural institutions, and social organizations, ought to make further efforts in developing a rich intellectual-cultural life in the work collectives and in the territory. Equally important it is to give the working people broad access to art and culture, from sponsoring popular art events all the way to entertainment and dance affairs, especially for young people. Kreis councils have to provide more opportunities to take part in the creation of socialist popular art, in the creative activities in the crafts, scientific, and technical fields, in sociability and active recreation, and in the varieties of interest-related education.

The citizens' creative activities and interest in preserving and exploring our cultural legacy, in cultivating the progressive traditions of our people, mainly those of the revolutionary workers movement, have to be developed further. The cultural and youth tourist facilities in existence, especially the FDJ Youth Clubs, must still be used more and at a higher level. Through setting up more youth club facilities still through comprehensive housing construction and territorial cooperative efforts by means of communal contracts, the leisure time conditions have to be improved to meet the many different interests of the young people. Further premises also have to be laid for having the sports activities for an increasing number of citizens become a vital need. Also for recreation in the immediate vicinity good territorial cooperative efforts must provide still better opportunities.

The greatest attention day after day again must be paid in the state organs' communal policy efforts in the kreises, towns, and communities to supplying the population with consumer goods, especially with the basic necessities and with repairs and services. The councils have to bring their influence to bear on providing the sales outlets at all times with stable supplies of basic necessities at adequate volumes, broad assortments, and good qualities until closing time. Among the priority tasks of the kreis councils is to ensure the fresh supplies in fruit and vegetables, meats and sausages, dairy products, bakery goods, and beverages--which is, after all, roughly 80 percent of all the

needed basic foodstuffs--stably and smoothly, out of their own territorial production, to improve satisfying the population's differentiated demands, to make sure the products are very fresh and expand assortments through refining the available raw materials. It is up to each kreis to decide on the level in supplying the population with these goods.

It is important for the bezirk and kreis councils to see to it that, in conformity with the citizens' developing needs and desires, the performance in the state-owned, cooperative, and private service enterprises is further improved. A broader scope of services must be offered, waiting lists must be shortened, and the quality of the services must be further improved. That also holds true, especially, for car and motor-cycle repair and maintenance where, as one knows, in most kreises the legitimate expectations of the citizens are not yet taken account of.

In the service and repair sector, two thirds of all the work is in the hands of cooperative and private crafts enterprises. That is why their development must be pushed still more by the kreis councils, mainly by means of an active crafts policy.. Mainly one should develop crafts where the demands still exceed the supply, so as to ensure self-service, especially in small towns and communities.

The state organs' efforts in the kreises, towns, and communities in taking charge and taking care of the citizens includes health care. The quality and effectiveness of health care and social welfare and the further development of preventive health protection must still become more of a focal point, in being overall social tasks, of kreis council management activity. The further development of basic medical care is and remains in the years ahead a significant task. To that end, the kreis councils must still better organize the concerted efforts of the territorial public health institutions.

Taking care of the veterans of labor is and remains a special commitment in socialist society. Taking care of senior citizens in residential areas is gaining ever more importance. More effective work still has to be done there as between the municipal and communal councils in close cooperation with the enterprises and the social forces, particularly the People's Solidarity. This relates mainly to apartment services and repairs, the further development of household maintenance, and the providing of meals.

The protection and rational use of our natural environment is among the priority tasks in socialist communal policy. The kreis, municipal, and communal councils have made headway there. Yet they ought to pay still more attention to setting up healthy environmental conditions in the residential and settlement areas, to the protection and shaping of the landscape, and to ensuring cleanliness, hygiene, and order in the towns and villages. Further reserves have to be tapped for it through the cooperation between the citizens and social forces. Order and cleanliness would then also call for good road and street conditions in all the places.

High Demands Placed on All State Functionaries

Ensuring a relevant people-related and civic working style is a basic task of the local councils in further spreading socialist democracy. The active participation of all of the people's strata is a crucial source of strength for successfully implementing the tasks in the further shaping of the developed socialist society. Of great importance for fully using all territorial possibilities on behalf of performance growth and civic prosperity is the close and coordinated cooperation of the local state organs with the National Front commissions, the trade unions, and all other social forces.

A relevant civic working style means that the local state organs, in drafting and implementing their decisions, take account of the opinions and informed advice of the citizens. As often demonstrated under ordinary conditions, that promotes dedication, energy, and creativeness, and the interest in and readiness for partnership in solving political and social tasks grow. That lends ever new impulses to the confident partnership between the party, state, and people.

The deputies' active and responsible efforts are of the greatest importance to the further spread of our state's democratic character. As elected people's representatives they are closely tied to the citizens and firmly rooted in their work collectives. The local councils should everywhere hand their representatives suggestions that make it possible to the deputies to take a still more active part in the drafting, implementation and supervision of resolutions.

In the towns, city districts, and communities one senses the relationship of trust between the state organs and citizens directly. The mayors bear a special responsibility for it. Rich in initiatives and ideas, they manage better and better arousing the inhabitants' readiness for active involvement and clarifying unresolved problems jointly. Even so--as everyone knows--much remains to be done in the work of the communal and municipal councils, and when one advances new questions arise the solution of which then also makes higher demands on the mayors. Their direction and support therefore remains a constantly growing requirement for the chairmen of the kreis councils and the chief mayors. The mayors should be given effective help in the administration of socialist law, especially in the fields of construction, the housing policy and housing management, and the enforcing of municipal and communal statutes. Also the 3,850 voluntary deputy mayors appointed in boroughs of towns and communities need constant instructions and energetic assistance to take care of their tasks.

In order to further consolidate the contact with all citizens, the city councils should turn more still to the urban housing areas. Here the efforts of the election district activists groups find their proving grounds. The effectiveness of these voluntary organizations is the greatest wherever the city and city-district councils assign the tasks of the plans, of the joint "join-in" contest program, and of other communal projects, to the voting districts and make them the foundation of the political mass activity in the residential areas.

The dialogue with the population on implementing the 11th party congress resolutions again confirms that working on the citizens' petitions is a political task of the first rank for all state organs and a fundamental element of

socialist democracy. Many petitions contain problems relating to life in the residential areas, communities, and towns. Checking into them shows that many can be settled on the spot. Helping the citizen fast and effectively is what matters. All legal and economic possibilities are to be exploited for it. In many cases it is possible quickly to find reasonable solutions, together with the citizens and with the support from enterprises and social forces. Such a working method also encourages the citizens to get involved. When a petition is turned down because the means for handling it positively do not now exist, the citizens must be frankly and honestly informed about the interconnections so that no loss in trust occurs.

The ambitious tasks the party and government have assigned can be solved only if there is order and the work done is highly disciplined, and if job and public security is guaranteed throughout. Special encouragement is warranted for the social mass movement for the exemplary observance of legality, order, discipline, and security as an element of socialist competition and of the struggle for the state title "brigade of socialist labor" in the work collectives and the organized civic initiative in the residential areas. It promotes comfort. Life is better and work is easier and more successful when one can be sure that things are in order at home, children and adults are not at risk, and social and personal property is protected. It is all part of law security, of social comfort. Progress in all domains of public life is closely linked with the consistent enforcing and application of socialist law. This is an awareness that keeps growing in the minds of our people.

Still, great economic losses are sustained year after year, especially through fires, accidents, and other hazardous events. Not rarely they lead to risks or damage to life and health or to the destruction of industrial, agricultural, or transportation objects or of apartments or social institutions. Through high-level order and discipline must we more effectively still protect our people's life and health, our social wealth, and our natural environment.

Longtime practical experience has taught us that the quality of state leadership and the fulfilment of the tasks assigned to the kreis, municipal, and communal state organs greatly depend on the selection and development of the cadres, on their political-ideological education and training. The criteria set down by the 11th SED Congress demand of each state functionary that he distinguishes himself by high political and technical knowledge and by people-related work, that he has firm principles and always can serve as a model. He must be humble in dealing with the citizens, react with sensitivity to their recommendations, suggestions, and criticism, and help on the spot in making necessary changes. Active and rich in ideas, he is to help innovations to break through; and he must be willing to use the best experiences of others in his own work.

To steadily strengthen the class character of the state organs, it is necessary to select and train the kind of chiefs and associates who know the life and efforts of the workers class from their own experience and who carry on its mission. Thus we must recruit young production workers and active members of the socialist youth association. Not last with regard to the next communal elections, the greatest attention is to be paid to the properly timed preparation of a functional cadre reserve, mainly for council members and mayors, and to developing a new cadre generation.

The socialist state and its organs as well as all state managers and associates have been assigned demanding tasks by the 11th party congress. Much depends on how well the kreis, municipal, city-district and communal councils implement those resolutions day by day together with the citizens and for their benefit.

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PARTY ACADEMIC NOTES WORKERS OPINIONS ON SELF-MANAGEMENT

Warsaw ZYCIE WARSZAWY in Polish 14 Nov 86 p 3

[Interview with Doctor Juliusz Gardawski of the Social Sciences' Academy's Institute of Working Class Studies by Alicja Matynia-Bonik: "Self-Management In Enterprises -- The Worker Point of View"]

[Text] [Question] The latest national conference of representatives of worker self-management organs gave us some idea of how these organs function, what barriers they face and the situations in which they are helpless to act. Meanwhile, you have been gathering opinion about self-management from workers at one of the largest places of employment not only in the Gdansk-Sopot-Gdynia Tri-City area but also in the country. What aspect of this subject has interested you sociologists?

[Answer] We were interested in several problems, the first of which was how workers feel about the activities of self-management organs within their enterprise and what they perceive to be the functions actually realized by worker councils. Second, the degree to which worker society may or may not be internally differentiated with regard to its attitude toward self-management, what different attitudes one can distinguish and whether these attitudes are associated with the social, professional and demographic backgrounds of our respondents. The third problem concerned worker opinions about various models of the economy and indirectly, the subject of economic reform. Aside from these issues, we also looked at eventual problems in work. We assumed that there exists a relationship between opinions about self-management and how one assesses his or her own problems.

[Question] Therefore, you concentrated more on the practice of self-management rather than the ideal?

[Answer] Yes. In this particular establishment, self-management has a long tradition. Before 1982, self-management had a division and general factory structure. When the concept of self-management was reactivated, it lost its divisional representation.

[Question] Do you feel that this could influence worker opinions about self-management?

[Answer] We were struck by the general lack of knowledge about how the self-management organs work. About 86 percent of the workers could not say what the worker councils do and many claimed that they do nothing. The remainder said that the councils are involved with sales and cooperation. This lack of knowledge is the result of the fact that enterprises do not have enough information about the activities of self-management organs. The problem is not just one of information itself [illegible] but is rather one of the distance between the workers and the workers' councils. This distance has two dimensions: one the one hand, the problems with which worker self-management has been involved did not include many issues important to workers and on the other hand, the very structure of of self-management in some way alienates it from most workers and makes it hard to achieve contact. As I have already said, there are two levels of organization, the division level and the level of the enterprise. The division level was eliminated when self-management was reactivated.

The previous worker's council became involved in a very long and nervous dispute with the management about the plan. According to those who were familiar with the details, the enterprise director presented an unrealistic plan that demanded too much of the workers. The worker council employed its rights and demanded a guarantee for means needed to fulfill this plan. Once plan drafts had been returned a few times by the worker council, the enterprise managers negotiated a change in figures from the ministry and the latest version of the plan was more modest than the self-management's draft. In turn, this meant that some members of the worker's council admitted the senselessness of their role in streamlining management and planning within the firm since the plan's figures could be changed so late in the process. Therefore, negotiations and "tussling" continued for a couple of months which was an unnecessary amount of time under the vague rules of the economic game and the pull-and-tug manner in it was defined how the plan was to be judged. Throughout this period, the council was totally involved with the plan and issues connected with the enterprise's economic difficulties. As we were told, the council did not have any time at all for anything else.

[Question] To a certain extent, the lack of divisional structures for self-management and a lack of information about the activities of the worker's council explains why most of the people we asked were unable to say what the council does. But were you also curious about what the workers expected from self-management?

[Answer] By extensive questions about the extent of authority exercised by the enterprise directors, worker self-management and trade unions, we learned what it is that the workers expect. Most people saw the self-management organ as being responsible for making wage and bonus decisions, normalizing working conditions and considering current production problems. About 35-45 percent of the workers said that the self-management organ alone should have authority

over these problems. At the same time, issues such as planning, investment and change in the enterprise's organizational structure, etc. were far down the hierarchy of expected activities by self-management which were, as a rule, attributed to the company management. Therefore, there emerged two entirely-opposite ideas about production: all that lies closest to the workers' interests should be the domain of self-management and all that concerns the enterprise as a whole lies within the authority of the directors. Meanwhile, the trade unions should be responsible for allotting vacation trips and providing employees with vegetables. However, we must still consider one group of workers which has a point of view substantially different than that of the majority: 14.4 percent of the people we interviewed felt that it is the worker self-management organ that should have the authority to make strategic decisions (in planning, investment and organizational structure). This group was comprised chiefly of people 30-44 years of age and having secondary technical educations. They can be contrasted to the group of 331.1 percent of workers who felt that the company directors must decide these issues. The latter group differed from the former by their lesser ages and shorter work experience. This group consisted mostly of workers with primary educations. Among the youngest workers (of up to 24 years of age), every second respondent felt that such decisions were to be made exclusively by the directors.

Aside from the issues already mentioned, I would also like to bring up another two problems. The first is that in the opinion of nearly everyone we spoke to, housing should be allotted only by the worker self-management organ alone or by a group made up of members of the self-management organ and trade unions. The matter should not be left up to the trade unions alone or to the management. The next problem is that of job safety. In this case, there was a very strong vote of no confidence in the enterprise directors and it was commonly felt that the management will never be really concerned about job safety. For that reason, the workers felt that this is a matter best addressed by worker representatives. From two conversations, we learned about sudden inspection trips from Warsaw that "hit those responsible for job safety right in their pocketbooks" and produced temporary improvements in this area. However, such inspections were sporadic and the only real chance of achieving any permanent or real improvement in job safety lies with self-management or self-management working together with the trade unions.

[Question] On that basis, could one therefore determine how much prestige self-management holds in comparison to other workplace organizations?

[Answer] In we compare self-management to other workplace organizations such as the management, trade unions, the party and youth organizations, there is no doubt that it enjoys the most prestige and that despite all of the current criticism, the workers expect to see the most things accomplished by self-management. It ranks 15-20 points higher than any of the other institutions except for the management which it over-ranks by 5 points. Whenever we asked which organization best represents the workers' interests, all groups mentioned self-management.

[Question] The conclusion is then quite obvious: self-management is not an organization but a means of representing the employees and that the attitude one has toward self-management has nothing to do with any other organizational orientation. In your opinion, what else has contributed to this high prestige enjoyed by self-management regardless of whatever other reservations people may feel toward it under other situations?

[Answer] This high prestige has been brought about by tradition and the continuing commitment of decision-makers to making economic management more democratic. I think it is fair to demand grass-roots organization, even at levels lower than that of the division. And another point that was brought up in our talks with the workers was that they not only want self-management but they want their own worker self-management.

[Question] Just what do they mean by "worker" self-management?

[Answer] When we tried to find out what they meant by "worker self-management", it turned out to be the case that they were concerned with these little aches and pains of the workplace such as safety, work processes and poorly-organized production meetings at which workers are afraid to speak their minds. They expect self-management to function as an arbiter between the division and union management and the workers and to present the workers' recommendations and proposals. They are not as concerned about its social composition as much as having their interests represented.

[Question] And are these tasks to take the upper hand over the most important function of comanagement of the place of work?

[Answer] Workers clearly want representatives that they have chosen for themselves. With all of its pluses and minuses, self-management is regarded by workers as their own form of representation that can with some degree of certainty help organize work and improve job safety. Workers are already very critical of how work is allotted and the management's lack of concern about the work force and would gladly support the advocate they see in self-management.

[Author's note] The studies described above were conducted in one work establishment. The situation and opinions may differ in others but the workers questioned in this particular study were representative of others that the results can serve to formulate generalizations about self-management and its status in other enterprises.

12261

CSO: 2600/283

COLUMNIST DERIDES PARIS KULTURA ARTICLE ON DAILY LIFE

Warsaw SZPILKI in Polish No 52, 25 Dec 86 p 14

[Text] In France, where Paris KULTURA is published, people are worried about unemployment and being dependent on their employers. They are furthermore tormented by inflation, robbery, social egotism, racial prejudice, etc., etc. Just let us imagine the Warsaw KULTURA publishing a Frenchman's writings about his everyday life. Let us imagine that he: is out of work, goes around kissing the asses of potential employers. He gets robbed, knifed and is then thrown out of the hospital because he no longer has the money to pay. His wife gets raped and catches AIDS from her assailant. His children are abused while his wife is giving the eye to an Arab. The sheriff's office takes away his furniture, there is no money to buy shoes, the police break into his home during a demonstration by the unemployed, his landlord throws him out and then he gets AIDS from his wife, etc. All of things taken separately could happen to anyone but if they were all taken together and published as the story of one man's life in the Warsaw KULTURA, it would be ridiculous, untrue and biased.

A long, long time ago, during the first half of the 1950's, the Paris KULTURA doubled over from laughter at the primitive propaganda in Poland. Today the same KULTURA dishes out the same bad writing as our early 1950's.

The 10/86 issue of Paris KULTURA published the "Notes of Everyday Life in Poland" supposedly sent from Warsaw by one "Jozef Lisiak". Lisiak's car is rusting away, its tires are stolen, the plumbing in his home is corroding and was replaced, the central heating broke down, fungus grows on the walls and the floor is filthy, the walls radiate something that is making people die of cancer, the plumbing is worked on by drunks, the temperature in the room does not exceed 17 degrees Celsius, the elevator does not work and the stairs reek of turd and urine. Lisiak stands in line to buy ZYCIE WARSZAWY and also stands in line to buy milk and bread. In the butcher shop all he can get is scraps and he can neither afford foreign travel nor summer camp for his children. Lisiak's radio is broken, he has been visited by the Security Service, his work is senseless and any of the books he can afford to buy have been so censored that they are no longer worth reading.

Each of these problems taken individually can be found in Poland but to put them all together and present them as an image of life in Poland is maladroitness. That is not an authentic image of anyone's life but just a paste-up of various problems gleaned from Polish newspapers and Parisian ideas about the way we live.

It can even be proved that these are lies. For example, Jozef Lisiak says that he is an economist with a higher education, that his wife is employed as a teacher and that together they bring home 35,000 zlotys per month. In another place, this Lisiak claims that he works in an industrial establishment and supervises an accounting office of 20-40 employees. That must then be a very large factory. An economist managing the bookkeeping office of a plant of this size would certainly earn more than 30,000 zlotys per month. The average teacher last year earned 18,000 zlotys. Taken together, this sum comes to 48,000 zlotys and not 35,000.

Lisiak writes that he makes an extra 8000 zlotys as a tax advisor for a private businessman. He spends several hours a week at this. That is obvious humbug. He could not spend that much time each week advising a businessman about taxes nor would such a skilled economist earn so little for that work.

His teacher wife makes an extra 7000 zlotys giving private lessons. This means that she is not exactly wearing herself out because she has only 10 hours or less of extra lessons each month. If however, we add to the 50,000 zlotys just this 15,000 plus help from abroad thanks to which, this Lisiak writes, he can survive, that still is not so bad because his monthly budget then exceeds 65,000 zlotys. That is not too bad since the Lisiaks have an apartment and car and buy things at Pewex since domestic goods are not good enough for them. I would even say that the Lisiaks are too well off because Lisiak writes that at his job he does not do anything at all, handles nonsense and the entire production at this factory is not worth a hoot. So why is he so upset about his higher standard of living? And who is to blame for this goofing off and bad production since Lisiak is just an economist with a higher education and manages 20-40 people in the plant administration?

Here is still another trivial detail. Jozef Lisiak writes that 80 percent of his household budget goes to buy food. That is twice as much as the average household food expenses in Polish families. Since the remaining 20 percent pays for his automobile, some black-market gasoline, pays rent and buys clothes at Pewex, that means that his monthly budget is not the 50,000 zlotys he claims because 20 percent of 50,000 zlotys is 10,000 and for 10,000 zlotys you cannot keep a car running, pay for your apartment and buy things at Pewex. The lies just run out of holes, proving that the "Notes From Everyday Life in Poland" is a fantasy penned behind a desk in Paris.

All of the bad things that torment the Lisiaks and change their lives into a nightmare have a political source. The Soviet Union is to blame because Lisiak has to bother with having a car. He writes: "In Poland, life without a car is especially hard because there are too few taxis and the trams and buses

are unreliable and overcrowded. The overcrowding of trains during holidays and vacations is even hard to describe (a chronic lack of cars which are above all produced for export to the USSR)".

Out of the 7150 railway cars produced in 1985, 2380 were shipped to all of the socialist countries together.

The supervisor does not remove dung from the steps in Lisiak's apartment building because he is a UB [Security Service] agent and does not want to. Instead of keeping the building clean, he sells vodka and rides around in a western-made car. In a line to buy medicine, an old lady whines about the government but people tell her to shut up because in the 1946 referendum she voted three times for this system so it is all her own fault: "Because of people like you, we have to wade around in this shit". As a non-party member and a person critical of socialism, Lisiak cannot advance any further in life. However, just before that, he told us that he "is so highly placed in his factory that he manages 20-40 people". He also admitted that he does nothing in his office so why is he so worried about advancement? The UB threatens to get him fired if he does not join a trade union. His human rights are violated because he must show an invitation from foreign friends to go abroad, etc. -- that is the material of his image of everyday life in Poland.

In this gehenna which is life in Poland, the one ray of sunlight comes from the underground: "Almost everyone reads TYGODNIK MAZOWSZE [Mazovian Weekly] and admires Zbyszek Bujak. The day it was announced that Bujak had been arrested, my radio was broken and I did not hear the news. I was therefore surprised to see our workers rubbing the tears from their eyes".

He goes on to write about how Bujak was caught only because of the enormous amount of money spent and super-modern electronic devices used to find him and how even some generals cried when they hear that Bujak had been caught. Lisiak heard about how at a party for generals, some were glad about Bujak's arrest while others sobbed.

When Bujak, this ray of sunlight disappeared, the only things left in the underground for Lisiak were illegal literature and western radio broadcasts (Legal literature is not purchased. Even "Four Cuirassiers and a Dog" gets into the libraries because the government orders it).

J. Lisiak drags on to say that coal is mined in Poland to produce enough electrical energy to jam Radio Free Europe and if the Soviet Union were smart enough, it would finance Poland.

He later describes what an ecstasy he experienced at an illegal video showing. The video tape was a documentary film about the Paris KULTURA as if that were something interesting at all.

In the real Poland, many of the legally-published books are bought at high prices, In the real Poland, a public opinion poll after the May arrest of Z.

Bujak showed that most people were either unaware of the event or did not care. Only a small percent of anonymous individuals protested the arrest.

Reading propaganda by Polish political emigrants arouses a certain terrible suspicion within me. Writing these "Notes From Everyday Life in Poland", they must know that all they are writing is untrue. However, it also seems that they really believe what they are writing. Over there in Paris, they think that people in Poland think and feel the way they describe them.

The authors of conformist socialist realist stories in 1950 or 1951 did not think that they were describing life in Poland as it really was. They only judged it useful to show life that way. I think that the people at Paris KULTURA really believe their fantasies and use them as the basis for their editorial policy, diagnoses and prognoses. They are light-years removed from the real Poland.

They really see Lisiak dying of cancer which he caught from his apartment walls and from the polluted Polish environment while Bujak, running through beautifully Finnlandized fields and forests brings a few moments of light to Lisiak's dying moments.

12261

CSO: 2600/283

READER RESPONDS TO NEGATIVE FILM OF U.S. SOCIETY

Gdansk GLOS WYBRZEZA in Polish 5 Dec 86 p 3

[Article by Tadeusz Maj: "Is This the Way America Is?"]

[Text] I have never been in the United States; I do not know, and it is difficult for me to judge, whether that country is indeed such as the authors of the documentary "This Is America" would have us believe. Last Friday, we saw its first installment, the second one will be broadcast today. My opinion is based on the view of an outstanding expert on American issues, Prof Longin Pastusiak. Introducing the documentary, he said: "The answer to the question if this is exactly the way America is, is 'no.'" Indeed, the documentary seems to bear out this view.

Apart from surprise, and, perhaps, occasional outrage, certain segments of the documentary must have caused smiles if not amusement even in a society as prudish as the Polish. After all, color pictures created for us an image of a country populated by people who, being bored and suffering from an excess of spare time, find for themselves merriment and entertainment in a neo-Roman style. If we were to restrict ourselves to just taking in the frames passively, then it would easily turn out that America is a country where life revolves around sex and is focussed exclusively on the goings-on at a level well below the belly button.

Maybe, it would be more proper and clear if the documentary were called "This Is America Too." The hedonistic orgies, female mud wrestling, group massage and baths, the entire industry of porn gadgets, approached with deadly seriousness, after all, represent but a fringe of social existence. There is only one question to be asked--how wide is this fringe?

The documentary leaves this and many other questions without an answer. It cannot come up with answers, because its message has been tendentiously biased from the very beginning. This is why, in watching this documentary, we would be better off (and certainly more correct) just saying that we have been shown a collection of curiosities. To be sure, some of them are quite upsetting, but, be that as it may, they do not make up the total picture of contemporary America. They just add to it.

9761

CSO:2600/287

CALL FOR OPEN RELEASE OF CONTROVERSIAL FILM

Poznan WPROST in Polish No 52, 25 Dec 86 p 14

[Text] Recently, Jerzy Domeradzki's "shelved" film, "The Great Run" was released for showing. The only question now is just where is it being shown? They say the film is being shown but it is nowhere to be found. This is not the first or last time this has happened in Poland. No posters or stills have been displayed for this film. And why should any be made since this is an inconvenient film about the Stalinist period in Poland which is supposedly so far behind us and yet remains so irritating? One can suppose that Janusz Zaorski's "Mother of Kings" has also been pulled off of the shelves. This problem is all the worse as both of these films are so important to the history of Polish film-making. It is certainly easier to show worthless films that no one goes to see than controversial political works that can arouse debate. Fear, fear, fear. And why not a little more courage? Neither art nor the public approves of tepid films. However, those who make decisions about culture want peace of mind more than anything else.

12261

CSO: 2600/283

TV DIRECTOR REVIEWS PROGRAM GOALS, PROPAGANDA EFFORTS

Warsaw PERSPEKTYWY in Polish No 1, 2 Jan 87 pp 18-19

[Interview with Zbigniew Napierala, director of Channel 2 of the Polish TV, by Zygmunt Rola: "Plain Talk"]

[Excerpts] Is it true that television preaches to the converted, or is it the other way around--social credibility of this most graphic of the mass media is on the rise? What is the social perception of the quality and merits of the propaganda offered by channel 2? We discussed this with Zbigniew Napierala, director of Channel 2 of the Polish TV.

[Question] Officials are not always able to contend with a journalist breaking out of the mold, which is his right and also his duty...

[Answer] Bureaucratic ill will in radio and TV broadcasting is a pathological phenomenon. Tremendous strains and emotions which have accompanied our work in recent years have caused creative people to be left without a shield, whereas an army of bureaucrats has dug in splendidly.

[Question] Is this where we should look for one of the reasons for the gap between social perception and the image of reality?

[Answer] "Political theater" presented on TV is a reflection of sorts of the "theater of life." As a press journalist, you certainly have your own observations in this matter, though it is more apparent in our domain. It is organized into a consistent sequence of pictures in our information programs and comments. As far as the performance and the professional potential of journalists are concerned, they obviously depend not only on the journalists, but also--let me put it this way--on the performance of the script writers who make our economic life tick. By the way, I would like to ask you whether you are always able to arrange an interview with the people whom we have called here, by agreement, the script writers of our life?

[Question] Unfortunately, it is increasingly difficult. More and more frequently, I hear, even at the decision-making levels: "now I have nothing to say." Once again, the well-known "game" of deferral to the boss is getting underway. Only he can make the statement, only he is competent. However, let us return to the interrupted thread of our conversation. You are in charge of

TV channel 2, which broadcasts very few items unwanted by the respondents of the Center for Public Opinion Research. Nonetheless, don't you face from time to time the issue of credibility regarding what channel 2 offers to its viewers?

[Answer] At channel 2, we dislike the campaign approach and occasional programming very much. We are trying to present the calendar, reflecting the pace of political life, quietly and with utter deliberation, which we are given an opportunity to do. For example, the things now going on in the Soviet Union may not, and could not, be squeezed into one occasional program and "be taken care of" that way. This is why we have planned to describe various spheres of life of our neighbor to the east. Moreover, such activities aimed at familiarization with our neighbor's current issues, say, cultural and social life, will have the desired effect if they are based on an extensive presentation of what is best in, for example, art, cinema, ballet, music. This is more complex and, therefore, more suggestive and efficient programming.

[Question] Is the thrust of channel 2 critical by design or does it steer clear of criticism?

[Answer] First of all, our thrust is to solve certain problems, e.g. in the sphere of education and the rule of law, for which there is great demand. Besides, in cooperation with the MONAR [Young People's Movement to Combat Drug Addiction] we have prepared programs "In Good Conscience" and "The Chain of Pure Hearts," in an attempt to gain access to the young people at risk. I believe that due to these programs the populace has learned of the dangerous social disease that drug addiction is and of the opportunities to overcome this plague. Let me invoke the size of the audience for programs in the "Condition Critical" series to show the need for integration in combatting deviance in our life. The series comes on at midnight, about which the viewers have complained, yet its viewership is 3 million strong.

[Question] Therefore, you do not embrace the "model" of criticism according to which keeping score on the authorities and economic activities testifies to courage...

[Answer] There are very many spheres of life which call for heightened attention and "plain talk" by the journalist.

[Question] Have you never been accused of non-constructive criticism?

[Answer] No. In the recent period, I have not encountered interference of that nature. There has been no pressure, e.g. not to air a certain program, from either within or outside the organization. At present, journalists have much greater leeway for independent activities.

[Question] What kind of audience is channel 2 geared to?

[Answer] First of all, to the population of large cities. Our viewers are well-educated and young. There are many educated workers and intellectuals among them. The intent of channel 2 is to shape social and historic

consciousness, to promote culture and art. To be sure, some of the programs do not have mass appeal, but we also should mold cultural aspirations, because a large percentage of Poles do not read books and do not go to the theater or even a cinema. It is exactly the intention to promote [culture] that accounts for the image of channel 2.

[Question] What are you trying to convince your viewers of?

[Answer] To my mind, we can define it this way: to the Polish reason for being. Against the background of our complex history, we are trying to encourage some optimism, which is necessary for wise actions marking the way for our good Polish future.

[Question] If the propaganda impact of TV is not as good as all of us would like it to be, we should look for the cause of it. What mistakes are being made? What principles and rules of propaganda are not adhered to?

[Answer] First of all, I cannot agree with the view that the results of our work "accumulated" in the social consciousness are bad. They are not as bad as they are sometimes said to be. At the beginning, you mentioned the zones of silence. After all, anybody who sees, hears and reads knows that the extent of such zones has been constantly shrinking for many years and cannot be compared to what it used to be. You are right, however, that we often preach to the converted, but then we are aware of it.

9761
CSO:2600/287

REPEATED SEARCH FOR 'NATIONAL CHARACTERISTICS' CRITICIZED

Poznan WPROST in Polish No 50, 14 Dec 86 p 29

[Article by Marek Krol: "A Paper Confessional"]

[Text] Recently, RZECZPOSPOLITA has grappled with a topic as mundane as bisecting the national Polish psyche has become in our everyday carrying-on in the press, at conferences and socially. Anybody who at least casually reads the newspapers, attends various meetings, conferences, or jubilees can easily observe that we have entered the decade of the 1980s as the largest nationwide combine in Europe for smelting and forging our national traits. This is why I believe that the discussion entitled "What Are We?" initiated in the pages of RZECZPOSPOLITA is an attempt to nationalize and centralize this combine of views and opinions on Poles. For sure, a commissioner for bisecting the Polish psyche and a commission for reforming national traits and social mobilization will be set up shortly at the [proper] association. Right now I can nominate Marek Kotanski to be the chairman of this commission. He is the most courageous spokesman combatting a bunch of ... yours truly in the sphere of removing bad traits from the Polish psyche. Exactly one week ago, Piotr Andrzejewski wrote in these pages about this heck of a tendency displayed by Kotanski. I can only state that the trend is abating and only a bunch of laughs remains of it.

Meanwhile, the editors of RZECZPOSPOLITA have been asking the readers: "What are we? Good or bad? Narrow-minded or magnanimous? Hardworking or lazy? Level-headed or emotional? Wrapped up in our personal affairs or prepared to sacrifice for the others?" Let me say without mincing words that these questions are stupid and their reasoning resembles that of a catechism school in some godforsaken town. They are reminiscent of the questions in a medieval chat asked of sailors returning from the antipodes. The port crowd would ask: "What are those Negroes?" Rolling up the sails of their caravels, employees of Spanish shipping lines would respond authoritatively: "The Negroes are good, but black. They are lazy, but generous."

Sometimes, when I read or listen to various statements concerning our national traits, I get the impression that we are stuck at a stage of such infantile questions, as if we had been endowed with these character traits by nature, same as skin or hair color or other biological attributes. I am not a believer in some genetically ordained national traits, which return as an old

boomerang in various discussions on our society. In every human community, there are good and bad people, the generous and the narrow-minded, the bald and the fat ones. Anybody who can average it all statistically will be either a genius above all others, or a lunatic. Under certain circumstances, people are good, under different ones, they behave beastly. Those who are magnanimous at work are petty at home, or the other way around. Those who are hardworking abroad, get lazy after punching in at their Polish enterprise and devise a way to do something so as to do nothing, and thus do the hardest work of all, faked work. So what? There is very little in it for an encyclopaedia writer who would like to draw up a catalog of national traits. After all, in general questioning what we are is absolutely pointless unless we consider why we are that way. This amounts simply to affixing a label to a product, the origin and function of which we do not know.

We find nothing earth-shaking among statements by various respondents--professors, officials, workers, retirees--published in RZECZPOSPOLITA. After all, is it possible to say something new when a majority of behavior and social responses registered in our country are in no way different from responses and behavior of other societies? Respondents to the questionnaire have no other choice than to subscribe to the banality "appearance is rough, but what a soul" and become sentimental over the difficult times we have to live in. They state in unison that we are patriotic (though sort of less and less so), prepared to sacrifice (though seldom and in exceptional situations), hard-working (in situations when it pays to be hard-working), etc. It would be difficult to disagree with these views, but what is the upshot of this and, more importantly, what does a given kind of behavior result from? At this point, a majority of respondents to the questionnaire turn mum or, at best, lay all the negative traits at the doorstep of the socio-economic crisis. This is a contemporary Polish devil of sorts, unleashed on us by unknown persons for unknown reasons. Therefore, with persistence worthy of a better cause, we are erecting paper confessionals, in which more and more confessors sit and whisper pleasantly: "what are we, what are we?"

9761

CSO:2600/287

UNIONIST CITES REASON FOR OPPOSITION TO 'TRADE UNION PLURALISM'

Warsaw ZYCIE WARSZAWY in Polish 14 Dec 86 p 3

[Reprint of interview from GAZETA POMORSKA with Michal Zielinski of the Bydgoszcz Railway Rolling Stock Works, delegate to the 2nd Congress of the National Confederation of Trade Unions, by Maria Kedzierska: "Voices From Poland -- How Are We to Save the Union Front?"]

[Text] [Answer] Our union was actually formed from former Solidarity members. The ones that came to us were the people that really wanted then and at the beginning of the 1980's a real union movement.

We are involved with the daily problems of the workers. It is a fact that we have become the partner not only of the plant directors but also of the party and youth organizations and the worker's council. It is now hard to imagine the union becoming involved in any problem important to our plant without taking a vote.

This cooperation does not in any way mean that the union would allow itself to become the handmaiden of the directors. The members would not stand for it nor would it look good to the 37 percent of employees that are not yet union members. For the union, it is very important to win over those standing on the sidelines. Winning over new members is so important that it was very strongly stipulated in the program for the 2nd Congress of the OPZZ [National Confederation of Trade Unions]. Unfortunately, since the September amnesty, there has been a drop in the number of new members. What are they waiting for?

[Question] Are you against union pluralism?

[Answer] Yes, if it concerns the unions in a single plant. Fighting for members, divisions between workers, demagogic demands and lack of responsibility for the primary functions of the factory or institution: these are all things that we knew in not too distant times and we are still recovering from the wounds they gave us.

And in general, can one say there is no union pluralism in a country in which the union movement is made up of several thousand independent, self-managing unions with their own charters and which are not answerable to any higher authorities? Under such a situation, it is more of a problem to hold together a united union front comprising 6,500,000 working people.

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OPOLE DELEGATES DISCUSSES LABOR CODE, UNION ISSUES

Opole TRYBUNA OPOLSKA in Polish 9 Sep 86 p 1

[Article by (B): "Views and Assessments"]

[Text] A meeting of the provincial Sejm delegation combined with a visit to the shops of the Malapanew Iron Steel plant and a review of the most important issues of the city was held yesterday in Ozimek. While putting forward their achievements, the hosts of the meeting used the visit of delegates to point up issues which cannot be resolved with local resources.

The basic topic of the meeting involved working out a stand of the provincial delegation on the government draft amendments in the labor code and evaluating the implementation of the law on trade unions. Also, the course and results of meetings and receptions by the delegates in the first half of 1986 were summarized, and complaints and requests submitted to the provincial delegation were analyzed.

An extensive document concerning draft amendments to the labor code was prepared on the basis of statements submitted to the delegates by the PRON [Patriotic Union for National Rebirth], provincial Trade Union Association, provincial court and the largest industrial enterprises of our province. In the discussion at the meeting, the necessity of endowing the trade unions with the authority of an equal partner in collective bargaining was especially stressed (the draft envisages consultative powers). The consensus was that the envisaged amendments should be an element of comprehensive actions putting the issues of labor and wages in order, because the anomalies, paradoxes and even nonsensical arrangements prevailing in this sphere are a destructive influence on social awareness and economic results.

The implementation of the law of 8 October 1982 on trade unions in our province was evaluated positively, which is not to say that all of the practices give cause for excitement. The organizational strength of the trade union movement differs among particular enterprises; on occasion, enterprise management is not aware of the provisions of the law; at times, good knowledge of regulations of the law is not accompanied by equally good cooperation between the management and the trade union. There were no reservations regarding the law itself, which goes to prove that it was well designed and has met the expectations associated with it.

The meeting of the provincial delegation, chaired by delegate Elzbieta Rutkowska, was attended by the members of the Socio-Economic Council from Opole as well as Chairman of the WRN [Provincial National Council] Mieczyslaw Rzepiela, Chairwoman of the PRON [Patriotic Movement for National Rebirth] Provincial Council Maria Nowakowska, Chairman of the WPZZ [Provincial Trade Union Association] Jozef Piechota and Deputy Governor Ryszard Zembaczynski.

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STUDENT ASSOCIATION ON 'PROGRAMMATIC STAGNATION'

Warsaw TRYBUNA LUDU in Polish 22 Sep 86 p 2

[PAP report: "Useful Year of Intensive Program Development;" passages in slantlines printed in boldface]

[Text] /The student organization needs a year of intensive program development effort. We are capable of initiatives, which while strengthening the organization, would at the same time serve the entire academic community well - stressed the participants of the national convention of the ZSP [Polish University Students Association] aktiv, which met in Uniejow, Konin province, on 19 and 20 September.

As was stated in the discussion on the directions for the activities of the association in the new academic year, the implementation of such intentions is now an acute necessity for the student movement, which has settled into a period of certain programmatic stagnation and complacency with what has been achieved to date.

"During its 4 years of operation, the reborn student movement has grown strong and struck root in colleges, overcoming many difficulties./ The fact that it now extends to an increasing number of previously passive academic communities and its attractive scientific, cultural, athletic and tourist programs are winning over new supporters, testifies to the success of the current concept of the student movement"-said Politburo member, PZPR CC Secretary Tadeusz Porebski, addressing the participants of the convention.

/He also dwelled on the situation in higher education and Polish science and outlined the prospects of socio-economic development in our country./

Czeslaw Krolikowski, deputy minister of science and higher education, responded to the questions, remarks and suggestions of those taking the floor concerning the life of colleges. He informed the audience about the plans of the ministry for the new academic year.

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BRIEFS

CONTINUED FILM CENSORSHIP NOTED--Kazimierz Mlynarz made a very pointed observation in the weekly NURT: "Pursuant to a special resolution of the Sejm of the PRP we are currently releasing people from prisons. At the same time, we have no courage to release a dozen Polish movies from the shelves and send them at a minimum to repertory cinemas." Deputy minister Bajdor promised a lot, but for a long time there was nothing happening on the matter. Only now has there been some movement and, after no end of disputes, four "shelf-sitters" have finally been released (exclusively to repertory cinemas and DKF [Film Discussion Clubs]). These are "The Great Run" by Domaradzki, "Chance" by Krzysztof Kieslowski, "Freelancer" by Wieslaw Saniewski and "Child's Episodes from Provincial Life" by Tomasz Zygodlo. There are still other titles to be released and dusted off. [Text] [Poznan WPROST in Polish No 39, 28 Sep 86 p 3] 9761/12851

ORWELL'S LITERARY VALUE DEFENDED--So Many bad things have been written in our country about the prose by George Orwell (e.g., Kaluzynski in POLITYKA), and now it suddenly turns out that he is not nearly as dangerous as they have been trying to have us believe. Recently, the Literary Publishing House brought out his early novel, "Keep the Aspidistra Flying," which we have extensively discussed in our magazine, and right away Eugeniusz Guz in KULTURA (isn't that a surprise!) spoke up for further novels by Orwell, including "1984." The fifth issue of LITERATURA NA SWIECIE is almost entirely devoted to the writings of the author of "Animal Farm." So, what has happened? Orwell has become one more example proving that literature cannot be treated in a purely instrumental fashion, cannot be judged by simplified political standards. The nonsense of the latter becomes apparent after a while anyhow. So, who will be the first to publish the next [work by] Orwell? [Text] [Poznan WPROST in Polish No 39, 28 Sep 86 p 3] 9761/12851

POOR WORKER IMAGE IN LITERATURE--Jan Pieszczechowicz asks: "Where in the world is the working class in literature? Oh yes, it appeared in the 1970's in the "labor novels," usually in the capacity of passive walk-ons in a plot driven by paper directors or party functionaries. In these writings, the nondescript intelligenzia of the novels did not reflect the attitudes and divisions actually occurring. Poland between December 1970 and August 1980 (along the way, there was also year 1976) came across in many writings as an almost idyllic land. Certainly, a future literary historian will be surprised by this flight from realistic vision." [Text] [Poznan WPROST in Polish No 39, 28 Sep 86 p 3] 9761/12851

SOCIALIST YOUTH UNION MEETING--An on-location meeting of the Executive Board of the ZG ZSMP [Main Administration of the Union of Socialist Polish Youth] was held on 15 September in Gdansk. It reviewed current work in the Tricity echelons of the union and especially in the large enterprise chapters. A meeting with the ZSMP members building the first Polish nuclear plant in Zarnowiec was also held. Chairman of the ZG ZSMP Jerzy Szmajdzinski was received by Stanislaw Bejger, deputy member of the PZPR CC, first secretary of the PZPR Provincial Committee in Gdansk. The discussion concerned current issues of operation and development of the provincial ZSMP organization, the issue of the young generation getting involved in implementing the resolution of the 10th PZPR Congress, in developing and strengthening the trade unions and promoting economic and scientific-technical initiatives by young people. [Text] [Warsaw RZECZPOSPOLITA in Polish 16 Sep 86 p 2] 9761/12851

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POLICY OF PARTY, STATE TOWARD RELIGION RESTATED

Bucharest INVATAMINTUL LICEAL SI TEHNIC PROFESIONAL in Romanian Dec 86 pp 5,6,21

[Article by Octavian Nistor, university lecturer]

[Text] 1. Position of the Romanian Communist Party Toward Religious Ideology. Our Party Documents on the Need To Increase Revolutionary Combativeness Toward Mystical and Religious Mentalities and Practices.

As in the other principal areas of building socialist society and with regard to the attitude toward religion, church and the faithful, the Romanian Communist Party policy has proven to be deeply scientific and creative, original and realistic, being in agreement with the new nature of socialist relations, with the broadly democratic and humanist-revolutionary nature of our system and with the scientific spirit of modern life.

The theoretical and practical bases for the Romanian Communist Party position and that of our socialist state toward religion is dialectical and historical materialism, guidelines included in the Romanian Communist Party Program for creating the multilaterally developed socialist society and moving Romania toward communism and the exceptionally important theses and evaluations of Comrade Nicolae Ceausescu.

Categorical opposition to religious, fideist, spiritualistic, mystical and obscurantist concepts is a general defining characteristic of the revolutionary concept of the world and life of the Romanian Communist Party and the essence of its attitude toward the religious phenomenon.

A relationship of irreconcilable opposition exists between our party's ideology and religious ideologies, one which is demonstrated multilaterally, both on an ontological, gnoseological, axiologic and anthropologic as well as praxiologic level.

Offering an explanation and a unified, materialist-determinist interpretation of natural existence, a social and human existence which is incompatible with backward, antiscientific and mystical-religious theories, our concept of the world and life organically includes scientific atheism as one of its basic components. As Comrade Nicolae Ceausescu stressed, "we communists know that the world was not created by any divine, higher force, that nobody stands somewhere directing how society should develop and how people's lives should be

organized. Daily, hour by hour, science brings more and more incontestable proof about the formation of nature, of man, the material nature and infinity of the universe. Practice shows that people today are becoming more and more capable of changing nature and society and of knowing any secret of nature and development of society."

Proceeding from the consideration that the persistence of mystical, backward concepts hinders the understanding of real relations between man and nature and the laws which govern the universe and the objective requirements of social development, being a brake on man's struggle for consciously creating his own fate, our party documents show the need for educating the masses and youth in the spirit of scientific atheism and promotion of a combative and militant attitude against mystical-religious ideas and mentalities.

Communists and members of the UTC must approach problems of religion as revolutionaries, continually bearing in mind that we are guided by a revolutionary, dialectical materialist concept which proceeds from what has been shown at the world level by knowledge in the area of the origin and development of nature, society and man.

At the 13th party congress, Comrade Nicolae Ceausescu stressed the need to intensify the multilateral activity of raising the socialist and revolutionary awareness of all workers and of decisively combatting the various obscurantist demonstrations and mentalities and backward mentalities about work and life.

In light of the 13th party congress decisions on intensification of political-ideological and cultural-educational work of forming the new man, with a socialist, revolutionary and progressive awareness, the activity of scientific materialist education must seek to raise the general level of knowledge of the masses, to systematically cultivate the basic philosophical, social, political and moral values of our socialist society, combat backward, mystical-religious demonstrations and assert the dialectical materialist ideology of the world and life.

In the concept of our party and of Comrade Nicolae Ceausescu, the problems of religion are seeing a complex, multilateral approach, comprising many aspects: open recognition of the ideological contradiction of the irreducible opposition between the revolutionary concept of the world and religious doctrines, the Romanian socialist state ensuring the freedom of consciousness, the obligation of all citizens, including the religious cults and believers, to respect the laws of the country; continual improvement in the cultural-educational activity of broadening the masses' horizon of knowledge and of forming scientific materialist convictions, of continually strengthening the unity of all the people in the joint work of creating socialism and communism.

2. The Romanian Communist Party Concept of Freedom of Awareness and Atheism.

Socialism, feeling man is the supreme value of society, has created material and spiritual conditions so that the masses enjoy true freedom to be able to assert themselves fully in all areas.

The broadest and fullest freedom of consciousness of all the country's citizens is being achieved in our socialist society.

The Constitution of the Socialist Republic of Romania proclaims and guarantees the freedom of consciousness, conceived in the sense that "anyone is free to share a religious faith or not " (Article 30).

The full guarantee of freedom of consciousness is a condition of true democracy and is based on the principle of equal rights and duties of all the citizens of our country, regardless of nationality, race, sex or religion, a principle accomplished in all areas of economic, political, legal, social and cultural life.

Freedom of consciousness should not be interpreted unilaterally, reduced to one of its components--religious freedom. At the same time, it means man's freedom to have materialist, scientific-atheist convictions, to be nonreligious, atheistic.

In our country all citizens, regardless of nationality, may enjoy the freedom to choose and practice a certain faith. But, in respecting religious freedom, they also must respect the right of those who do not adopt a religious faith and their opportunity must be ensured to show that the world was not created by a supernatural force but represents the result of historical and legal development and that it can be explained scientifically on the basis of the principles of dialectical and historical materialism.

In respecting the freedom of consciousness, stressing the rise in degree of knowledge and understanding and the people's cultural level, the party and state provide the material and spiritual conditions to achieve true freedom, real freedom, for unhindered demonstration of the human personality.

The state does not intervene with administrative means of constraint in problems of the consciousness of its citizens. However, it does develop intense activity of scientific materialist education, in this way exercising its cultural-educational function; in this regard the social-political organizations, the mass and public organizations--schools, cultural and art institutions, the press, publishing houses and radio-television--have an important role.

Providing free demonstration of the religious cults at the same time means the duty of communists and UTC members to struggle firmly to promote the scientific, dialectical materialist and historical materialist concept of the world.

3. The Position of the Socialist State on Religion, Church, and the Faithful.

Relations between the state and the religious cults cannot be approached abstractly outside certain social-historical determinations which are specific to each country and stage of development and the historical and national particular features of each people.

Relations between the state and religious cults in Romanian society, under the conditions of socialism, have acquired a new content, being determined by social-economic and political structures belonging to the new system.

In establishing these relations, account is taken of the permanent broadening of civil freedoms and rights under conditions of deepening worker, revolutionary democracy.

An important role in establishing relations between the socialist state and the church is played by the historical-national traditions and particular features of our country, taking into consideration the positions which the religious institutions, the clergy and the faithful have established in various stages and points in the history of the Romanian people.

Relations between the state and the religious cults are established by bearing in mind the basic tasks of social-economic and political development of the country and the need for continually strengthening the unity and social-political cohesion of all our people.

The Romanian socialist state, as representative of the supreme power in our society, provides the unified leadership of all the component aspects of social life, exercising its prerogatives on all institutions, including the religious ones.

For the socialist state, the 14 cults carrying out their activity in our country--with their method of organization and operation regulated on the basis of the Constitution of the Socialist Republic of Romania--are equal in rights and duties, with no privileged, dominant or subordinate cults existing.

Relations between the state and the religious cults are characterized by relations of mutual respect, by noninterference from the state in the church's internal problems as well as respect for the country's laws by the religious institutions.

In Romania the school is completely separate from the church, with the young generation's education and instruction being the exclusive competence of the socialist state.

In Romania law prohibits religious propaganda from being carried out outside the framework offered by cult institutions. The church must not carry out opposing activity which goes against the interests of the socialist state. In this connection, Comrade Nicolae Ceausescu drew attention to the fact that "we bear in mind continuing to provide for the normal carrying out of activity of the religious cults in conformity with the Constitution and the country's laws. Of course, we have not permitted nor will we permit in the future for someone to use these cults to carry out activity directed against the people and the building of socialism and the country's independence and sovereignty. I feel that, in general, the religious cults must be concerned with their problems and must fully respect the state's laws and must support the policy of building socialism and of the general development of society, a policy of peace, collaboration and detente."

This evaluation is particularly current in the conditions where, at the international level, some imperialist and reactionary circles are attempting to change some cults and elements of the cults into a tool of the policy of interference in the internal affairs of various countries. That is why it is particularly important for a strict distinction to be made between religion as a form of alienation and the religious life carried out within the socialist laws, on one hand, and the phenomena of political exploitation of religious feelings by some reactionary circles abroad as means of anticommunist struggle, on the other.

Ensuring the free activity of the religious cults recognized by the state necessarily involves steadfast respect for the country's laws by all citizens, with no differences. As Comrade Nicolae Ceausescu stressed, "If faith is a problem of personal consciousness of each citizen and the status of the cults is recognized by the state in conformity with the country's constitution, ensuring that the citizens may practice one of the faiths or another, at the same time we must say openly that all citizens, regardless of their philosophical concept or their religious faith, must respect the country's laws scrupulously. These duties, we understand, must also be fulfilled by the cults, who are called in their activity to respect the constitution and the laws of the country and the socialist system of Romania."

Our society values the loyal attitude of the representatives of the religious cults toward the internal and international policy of the Romanian state and their participation in fulfilling the goals of Romania's social-economic development. The leaders and other representatives of the cults participate in the public life of Romania, which offers them the opportunity to directly express their opinions in connection with the most important problems of national interest. As a result, the 14 religious cults are part of the Front for Socialist Democracy and Unity and their representatives have been elected deputies in the Grand National Assembly.

4. The Role of the Socialist State in the Struggle To Free Man and Educate Him in the Spirit of Revolutionary Humanism.

Elimination of religious alienation cannot be achieved outside the process of the revolutionary transformation of society. As a result, the following are needed for disappearance of the religious phenomenon: achieving a high degree of mastery of the forces of nature by development of the production forces, improving all production and social relations in order to permit the people's spiritual progress, raising the level of the quality of life. That is why the constant concern for man, for satisfying his material and spiritual needs and steadfastly asserting the principles of socialist ethics and equity and socialist-revolutionary humanism are the basic feature of our party and state policy.

Romania's experience fully confirms the thesis of dialectical and historical materialism according to which freeing the masses from any type of enslavement and religious alienation primarily require freeing society from oppression and exploitation, creating new social relations and structures and building socialism and communism.

For Romanian society socialism has meant the most radical, broad and profound structural change socially, politically and economically. Eliminating capitalist ownership, eliminating any forms of oppression and exploitation, the victory of socialist production, the more and more broad assertion of socialist democracy have created the objective and subjective conditions for religious disalienation, conditions which continually develop in the process of creating the multilaterally developed socialist society.

The revolutionary changes produced in our society, the broad access of the masses to learning, science and culture, the intense political-ideological and cultural-educational activity carried out by the Romanian Communist Party,

the consistent promoting of the revolutionary concept of the world and life--dialectical and historical materialism--and the principles of socialist ethics and equity and of revolutionary humanism have brought basic changes to the spiritual make-up of the people in their thinking and mentality.

Building the new system and the tireless activity for multilateral improvement of it are the most important factor in transforming the people's consciousness and their gradual unbinding from mystical-religious concepts. In the practical work of creating socialism and communism, the people, changing the social nature and relations, are they themselves changed. Work and social activity thus are the determining factor in shaping consciousness and in the socialist education of the masses.

Establishing new economic and social-political relations, socialism provides for full assertion of the human personality, unfettering the creative aptitudes of all citizens and, along this path, freeing the people from illusion, from faith in the existence of supernatural forces.

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