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# East Europe Report

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12 SEPTEMBER 1986

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## SOCIOLOGY

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## EDITORIAL INSISTS INTENSIFICATION RESERVES AVAILABLE

Prague RUDE PRAVO in Czech 22 Jul 86 p 1

[Text] The song has already played many times. The enterprise receives a new assignment and immediately presents demands--for investments, imports, and a number of others. And it seems logical, one cannot manufacture things out of thin air. Only one little detail appears to have been forgotten--that the new task eliminated an earlier one which was not as urgent.

But the habit, and we know how difficult they are to break, to put out one's hand, has had long historical roots. For quarter of a century, every demand for allocation of investments, import privileges, additional labor, building of plants, or machine tool purchases have been met. All this during a period, which is now being referred to as the stage of extensive development, when we did not know any other way of doing things.

Without any doubt, this period is, once and for all, behind us. We are stuck with a greater proliferation of new plant buildings than we can make use of. You don't believe it? After all, virtually all of them are working only one shift, so why build more? And why are they not operational for at least two shifts a day? A frequently repeated answer is--there are not enough people. So would people be available for a newly constructed plant? Most of the would-be investors somehow have a problem answering that question. Only the most experienced will come up with a story that reorganization of work or production process in the older plants would free-up labor for new ones. But if that is possible, why didn't they reorganize already and use the surplus labor for the second shift?

We lived through two five-year plans of relative labor shortages as a result of unsatisfactory population developments in the sixties. Nevertheless, the production increased even during that period. In the eighties, we are gradually beginning to employ the larger population of the seventies. Why should it not be possible to use them to strengthen the production base? Because much has changed in the meantime. Also, because during the period of relative labor shortages people were moving on a priority basis to production to the detriment of retail, services, health services, education, etc. All this must be compensated for.

Well, if we cannot have people, at least give us imports--importunes "the production" with an outstretched hand. Why not--provided there are sufficient foreign currency funds available, after all, we cannot get something for nothing. All we have to do is export more... But it is not as simple as it used to be during the period of extensive development. Some of the exports cannot be increased because the domestic markets would suffer. And the other goods, that is non-consumer items? The demands on its quality and technological standards have grown tremendously. Only average standard goods bring it next to nothing. But such products represent a large part of our exports. It is no secret that the effectiveness of our foreign exchange is falling. So there is nothing else left to do in the enterprises but to look the truth straight in the eye--if we want greater imports, we must earn the money for them first.

Is it realistic? Do we have the necessary preconditions for it? Can it be accomplished with additional factors? Yes, it is realistic and, yes, it can be done. What it takes is to think a little more about one's work, make an effort to produce higher quality products, not to waste materials, energy, or labor. It all lies within our power, it is a reserve which is just waiting to be tapped. And in spite of that, we continue to manufacture and send out goods which do not meet the sales order requirements and which must then be adjusted downward in price or they must be repaired or even refunded. So then we not only cannot think about additional imports, it becomes necessary to regulate the needed imports.

How many times has it been repeated that there are no reserves available for extensive method of economic development. Do the reserves for an intensive development exist then? Yes, there are such reserves and they cannot be considered to be small either. And not only from the viewpoint of rational utilization of available labor. The highly material and energy intensive production methods are continuing. And that in spite of the fact that during the past two five-year plans the use of material and energy has been decreasing. It still is not satisfactory and, therefore, during the Eighth Five-Year Plan we expect the conservation to double or triple. Unfortunately, the up-to-date reports do not indicate any such turnaround.

Instead a new, unpleasant phenomenon is rearing its ugly head. Acceleration of growth in inventories and a slow-down in their turnover. The inventories have exceeded one-half a billion korunas in value. These are huge, essentially dead in the water resources. They represent a very uneconomic volume of used raw and semi-finished materials, energy and production equipment as well as used labor. Large part of them represent products for which there is no demand. Did it happen because the consumer demand has changed? To some extent, yes, but to a larger degree they are a result of supplier inattention to the changing needs of the society. For one part at least, the inventories represent and rapidly available reserve.

But the main reserve of intensive development lies in the research and development progress and implementation of the results. What stands in the way? It certainly does not appear to be a shortage of resources because large quantities of usable volume remain untapped. It is rather the human factor which seems to play an unfortunate role. To explain what I mean, it is the fear of losing the comfortable life, the fear of new worries and problems, and the feeling of helplessness to master the unknown requirements. The A. Zapotocky statement that "one cannot live in the old ways" has lost nothing of its validity, only the meaning of what is old has changed and it still remains unacceptable.

It is now a time of vacations, travel, and surprising discoveries of what others can do. Such "discoveries" in most cases concern the shopping basket. Only, that too is developing in a predetermined way on the basis of new technologies and new methods of production--on basis of rapid implementation of the results of research and development. Frequently, people ask us why don't we make such products at home also. Is it that we lack in ideas? Are our people less skillful as the others? We could ask many such questions. But one would be missing among them--why do I myself not do something about it? Nobody can claim that he does not have an opportunity to do so. It is not just a matter of creativity of the designers or innovators or the flexibility of the technical personnel or managers; it is the approach of each one of the workers that counts. Each one of us is, after all responsible for the quality of his work. And there should be no need to even mention that it is in the quality where the reserves lie. It is only necessary to stop pointing at others and begin with oneself. It is clear that for such self criticism there is no need of imports or other resources.

Yes, there are sufficient reserves for the intensive development of our national economy. There are more of them than some people are willing to admit. But there are reserves and then there are reserves. Except that this reserve--wanting to accomplish more and better--is not one of those which one needs to keep for the case of emergency; it is one of the kind which must be used right now, otherwise they become a record of waste. And that is one thing we cannot afford.

/9604

CSO: 2400/371

## BETTER ENVIRONMENTAL PROTECTION URGED

Prague RUDE PRAVO in Czech 2 Jul 86 p 1

[Editorial: "Implement Environmental and Water Protection More Decisively"]

[Text] In the Eighth 5-Year Plan, there is supposed to be a stop put to the growth in the pollution of the atmosphere by solid and gaseous emissions and the prerequisites created so that in the next 5-Year Plan there can be a start made in reducing the pollution. As far as water is concerned, the ministerial departments, economic production units, and enterprises have been charged with increasing both the protection of ground and surface water sources and their rational utilization.

The 17th CPCZ Congress in its conclusions emphasized that with further development of the national economy it is essential to consider concerns about the environment as an inseparable part of the party and national policies. The decision to allocate at least 17 billion korunas in effective resources to specified ecological actions in the Eighth 5-Year Plan also indisputably gives the proper weight to these words.

This is no small amount and represents more than twice as much money as was expended for these purposes from social resources in the previous 5-Year Plan. Despite this, no one is concealing the fact that improving and protecting the environment would require still more money. But society can give even to these intrinsically important purposes only as much as the actual capabilities allow.

It will therefore be suitable to depend on determining what means we have available which we truly know how to use effectively. The starting point for this is the Principles of the National Concept for the Preservation and Protecting of the Environment and Rational Utilization of Natural Resources in the Eighth 5-Year Plan with Projections up to the Year 2000. This is a document which concentrates attention particularly on urgent measures concerning clean air and water and preserving the biological function of the soil and forests.

A concrete expression of everything which it is necessary to do for this is the State Target Program A 12, whose fundamental goal is to ensure the construction of waste water treatment plants and the installation of separation

devices for harmful substances from industrial and energy plant emissions. It also includes the development of wasteless and low-waste technology and equipment for economic utilization and waste disposal. At the same time, it also includes solutions to the problems of ecological optimization of farming in the countryside. The State Program of Ecologic Investments was also prepared at the same time as this document, in which there are centrally designated specified important capital investment actions for the creation of conditions for putting a stop to further pollution and deterioration of the environment. This is supposed to establish the prerequisites for a gradual improvement of the environment in the future. The program also establishes the resources which are obligated for specific purposes and in no case can be used for any other capital investment action.

In doing this, special attention is directed at a priority solution to environmental questions in the most heavily endangered areas with a high concentration of industry, mining, energy production, and population. This refers particularly to the area of the Krusne Hory Basin and the capital city of Prague. But this is not to say that the interest in other areas where the situation likewise demands that measures be taken which would contribute to stopping the growth in pollution of the atmosphere and water in particular would remain in the background.

One of the measures which would indisputably help significantly is also the emphasis placed on having all investors respect the ecological aspects. In the future, no capital investment project should lack the appropriate facilities for treating waste water and smoke and other emissions released into the atmosphere. And the equipment must really work effectively and fulfill all aspects of the strict requirements for protecting the basic elements of the environment.

But all the documents would mean very little if they were not followed up with concrete actions with the same thoroughness and responsibility as was devoted to their preparation. And it is right here, in the everyday attitude of the people who are responsible for everything connected with the preservation and protection of the environment, that there is still a great deal of inadequacy.

For example, the water law requires everyone who discharges waste or particular types of water into the rivers or other surface and subsurface sources to make sure that the quality of the water in them is not threatened. But it would be just a short list of those who thoroughly respect the duties placed upon them by this law. On the other hand, there would be a lot of space taken up in naming those who violate it. This would include not only enterprises and organizations who directly pollute the water sources, but also the appropriate agencies of the state administration whose benevolence in checking on and monitoring activities actually makes these violations of the regulations possible.

This can indeed be substantiated by information from the General Prosecutor. Among other things, one can see from it that the agencies for water management do not make full use of their legal tools, especially in territorial, construction, and acceptance approval control. For example, in the construction of housing complexes, new plants, and their operation they tolerate the fact that water treatment plants are not part of their makeup or that enterprises do not take the necessary measures in the technology of production which would do away with or at least reduce water pollution. Moreover, no one is being forced to develop the necessary efforts for timely performance of this task before the plant or housing area is put into operation.

As a rule, a loophole is sought out in requests for permission for an exception to meeting the obligations established by law. And the national governments, to whom this authority belongs, not infrequently have no course open but to issue such permission. Otherwise the housing area would sit idle and production which is already being counted on in the plans would not begin... This is, unfortunately, very often the reality of the matter. Just in the years 1983 to 1984 the two national governments permitted almost 2,300 exceptions. Most of them expired by the end of 1985. But how many enterprises and organizations met the established conditions? And it is often a similar case where protection of the atmosphere is concerned. The attitude of the national committees is also inconsistent regarding polluters of the atmosphere and fulfillment of their obligations is also not enforced by sufficiently painful penalties.

In reality, exceptions to the law and penalties for not meeting obligations nor any other action, not even the most strict, will not help achieve the established goals and intentions.

There are, unfortunately, innumerable such cases in the CSR and SSR. It is as clear as day that right here there are considerable unused opportunities for a more rapid progress in achieving the goals established by the 17th party congress on the preservation and protection of the environment. The fact that they are realistic is shown by, for example, the Bratislava enterprises Slovnaft and Chemical Plants J. Dimitrov, where for more than 10 years they have conscientiously taken care of the environment. They change the technology and structure of production, cease unsuitable operations, build waste water treatment plants, and have reduced the quantities of solid waste by 50 percent. Similar examples could also be cited from some other enterprises. Unfortunately, there are still only a few of them, less than would be desired, and fewer than are essential for still more successful care of the environment here.

6285

CSO: 2400/334

## NEW CERAMICS-FIRING TECHNOLOGY CONSUMES LESS THERMAL ENERGY

Magdeburg VOLKSSTIMME in German 1 Aug 86 (supplement) p 4

[Text] It is no secret that the ceramics industry is one of the major consumers of energy. Tableware, earthenware, ceramic components and many other products must, as a rule, go through the "fire" several times before they attain their desired character. In the case of porcelain, it is necessary to subject this material to mild firing, gloss firing and decorative firing; and ceramic tiles, depending on their intended use, must be put into the kiln once or even twice.

In this age of modern technology, specialists attempt to increase the efficiency of energy-intensive processes by applying scientific technical solutions. The Specialized Construction Combine of Magdeburg, the model production enterprise for this [energy-industrial engineering] branch in the GDR, has proposed just such a solution to serve as an example. In the Zwickau Stoneware Factory the first roller-type heating furnace supplied by this Magdeburg combine is currently in operation. The central feature of this new industrial process is a roller-conveyor system which transports the ceramic materials [through the furnace] while they are subjected to the heat which is simultaneously emitted from both "above and below". Instead of the standard repeated-firing, this technology enables [the manufacturers] to sinter the ceramic tiles with only one firing. Experts have estimated an energy-savings of about 70 percent. This enormous amount of energy saved results, on the one hand, from reducing the total time required for the firing-operation to a maximum of 50-60 minutes and, on the other hand, from the elimination of the standard means used for conveying the ceramic materials, such as carts and sleds. This industrial furnace in Zwickau, with its length of 60 meters, is designed to produce a maximum temperature of 1,150°C and is expected to achieve an annual production of about 1 million square meters of wall tiles. The furnace has a further advantage: The ceramic materials are fed through the oven via three conveyor lines which are aligned horizontally above each other. This roller-type system makes it possible to offer a wider variety of products.

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CSO: 2300/521



## OFFICIAL CALLS FOR MORE ENVIRONMENTAL CONTROLS EFFORTS

AU111858 Budapest NEPSZABADSAG in Hungarian 9 Aug 86 p 1

[Article by Dr Kalman Abraham, state secretary and chairman of the National Environmental Protection Office, "In Our Own Interest"]

[Excerpts] The importance of environmental and nature protection on our planet is increasing and so in the concern for our environment. Air and water pollution, the danger to the flora and fauna of our planet, the deterioration in the soil quality, the huge amount of garbage, and the emission of harmful waste materials are all warning signs. In addition to these phenomena, man living in his natural, residential and work place environment increasingly also recognizes the harmful effects of pollution on his health.

It has become the common cause of all of us to eliminate these phenomena.

We are paying greater attention to safeguarding our natural environment, to our arable soil, to forest cultivation, to improving the purity of air and water and to reducing the amount of dangerous wastes and finding suitable places for their storage. The documents of the Seventh 5-Year Plan deal with the long-term strategy of environmental protection in a separate chapter.

In spite of the considerable efforts made by the government and in spite of the government propaganda, material and energy saving are still inadequate. There is a delay in the widespread introduction of waste-free technologies or technologies producing small amounts of waste, and there are still serious things to be done also in using waste materials as secondary raw materials. Time demands a solution because, if we do not neutralize the accumulated waste materials that nature cannot decompose, that can lead to irreparable damage. In the course of the production of consumer goods and various means of production, an increasingly urgent task is to produce goods that spare the environment and to use technologies that safeguard the environment in all the sectors of industry.

A complex analysis of the production and infrastructural sphere and a more efficient count of the cost of the damage to the environment must be carried out to a much greater degree than at present and under stricter conditions. The series of government measures represent an adequate basis for the collective action but the ways and pace of the implementation of these measures are still considerably inadequate.

It has been proven in recent years that it is not enough to make a slogan out of the concept of environmental protection. It is not enough to protest, to list the damages, and to air threatening predictions. All citizens of our country should change their attitude, that is, they must become active protectors of the environment, people who do not only talk about the danger but who also act, aware of the facts and taking arguments and counterarguments into consideration. The real protector of environment is the one who reduces pollution and damage first of all in his own surroundings and protects the values of nature.

An active protector of the environment strives to achieve the most favorable changes with the smallest amount of investment. He works with efficient material and energy consumption. He gives priority to technologies that produce little waste and takes care of the secondary use of waste materials. By organizing our lives in a way that protects our environment, we can influence others, too, and we can shape the attitude of children and young people.

/12624

CSO: 2500/429

## ECONOMISTS CONFER ON BID TO BOOST AUTHORITY OF FIRM'S EXECUTIVES

Warsaw RZECZPOSPOLITA in Polish 27 Jun 86 p 2

[Report on a conference held at the Polish Economic Society: "Who Should Be a Director?"; passages enclosed in slantlines printed in boldface]

[Text] /The working groups of the Commission on the Economic Reform have been discussing a document titled "Proposals for Strengthening the Position of the Enterprise Director."/

These are preliminary proposals.

It has been assumed that their contents will change as a result of the discussion. Comments made during the discussion organized by the club of economic organizations of the Polish Economic Society on 26 June--based only on a summary of portions of the above document given by Tadeusz Kowalkowski, a member of the Commission's enterprise group--are only a contribution to the subject, which is among the most important and controversial ones.

The participants, most of whom were directors of enterprises, completely supported the premises of the discussed report that the current position of the director is too weak, requires strengthening, and codification. Thus, they accept with pleasure the initiatives aimed in this direction. Today the directors must maneuver among numerous factors, they said, to avoid offending anyone, while functioning in an atmosphere of fear and uncertainty. The idea of establishing clear criteria for evaluating the work of directors and their enterprises and making the directors' remuneration depend on their actual contribution.

Referring to the survey conducted during the past year by the Institute for Chemical Industry Economics, the discussants supported the opinions and fears expressed there that new solutions were aiming towards strengthening the bureaucracy and increasing the role of the ministerial officials, who often decide important enterprise matters on the basis of ambiguous criteria. They wanted as simple, as transparent an evaluation system as possible, which would also take actual economic conditions into account. They opposed the tendency toward excessive proliferation of criteria for evaluating directors and enterprises. The relation of the director with the self-managements also needs to be defined in some areas.

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CSO: 2600/568

## WORKERS POLLED ON CONSUMER MARKET, LIVING STANDARD ISSUES

Warsaw ZYCIE WARSZAWY in Polish 12-13 Jul 86 p 6

[Staff Report: "From Research by the Public Opinion Research Center-- Industrial Workers on Market Disequilibrium, Price Rises the Major Afflictions in Daily Life, Pluses and Minuses of Wage Policy"]

[Text] The Public Opinion Research Center conducted a survey among the employees of the key industrial enterprises on the sources and symptoms of economic instability. The study surveyed a random sample of employees from 56 enterprises.

As much as 82 percent of the respondents equated the concepts of market disequilibrium and inflation. The respondents were offered several definitions of inflation. The largest groups (52 percent) chose the definition "Price increases that force one to resign from many customary purchases." More than 40 percent accepted a definition of inflation as a phenomenon caused by the absence of thorough price controls.

The popularity of this view, which contradicts the spirit of the reforms, is surprising. On the other hand, only 5 percent of the respondents expressed the view that inflation has been caused by the growth of social benefits.

Next the employees were asked about the most trying elements of daily life. Price increases of goods and services used daily, which 97 percent of the respondents mentioned, occupied the highest position. In order they further listed: the unavailability of goods and services, standing in line, poor manners, the poor quality of goods and services.

The next question read: Will the afflictions that occur in daily life cease? When? The answers indicate that the majority of respondents believe the economic problems are transitory, and they anticipate restoration of market equilibrium and a halt in the decline of the quality of goods and services. Nevertheless, every third respondent expects no improvement in this area during the next 3 to 5 years.

They regarded poor manners as the most unchangeable affliction of daily life. More than half of the respondents felt that it will not change in the near future.

The respondents were also asked how strongly they supported the price and wage policies of their enterprise and the state.

Thirty-six percent criticized their enterprises' policy; 28 percent approved; every third respondent declined to answer. As much as 70 percent of the respondents expressed criticism of the authorities' policies.

In response to an open question concerning positive elements of the state's wage policy, the employees mentioned: introduction of incentives relating wages and work results, reevaluation of retirements and disability benefits, guaranteed full employment, limiting wage-scale chimneys, enterprise independence in establishing wages, social benefits.

Regarding the wage policy of their own enterprise, they mentioned: relating wages and work results, wages increases, incentive premiums, the new wage system, remuneration for extra work, listening to the employees' opinions on wage issues.

In answer to a question concerning balancing their own personal budgets after the recently announced price increases, the respondents stated they were counting on increased earnings in their place of employment (46 percent). Second they mentioned a general increase in wages (12 percent). Then, in order, they listed: finding additional work in their enterprise (5 percent), finding a better paying job (5 percent), finding work outside of their principal place of employment (4 percent).

13021/12947

CSO: 3600/568

## NEW FARM PRODUCT PROCUREMENT PRICES REPORTED

Warsaw RZECZPOSPOLITA in Polish 28-29 Jun 86 p 4

[Staff Report: "New Purchase Prices"]

[Text] The Ministry of Finance has announced that on 1 July 1986 in accord with the Ministry of Agriculture, Forestry, and the Food Industry new, higher official prices for purchases of basic agricultural products will come into effect.

The new purchase prices are: for wheat 2,640 zloty per quintal, rye and oats 2,000 zloty, barley and rye wheat 2,460 zloty, rapeseed 4,850 zloty, sugar beets 500 zloty. The average purchase price of live hogs is 180 zloty per kilogram, cattle 147 zloty, chickens 151 zloty, and wool 1,200 zloty per kilogram.

The purchase price for milk will increase by an average of 4 zloty per liter. The specific purchase prices will take into account the quality of the products offered which are on the price lists sent to the purchase centers. In accord with the previous announcement the new purchase prices for live hogs came into effect on 16 June 1986.

The new official prices were introduced after consultations with the Main Council of the National Union of Farmers, Agricultural Circles, and Agricultural Organizations. Representatives of the state farms and agricultural cooperatives also participated in the consultations. The increased purchase prices are to compensate in full for the increased prices for agricultural supplies and for the increased financial burden of the farmers including the increased contributions to the farmers' social insurance fund. The increased purchase prices also include a portion of the increased costs of living for farmers; in order to maintain productively active farmers, they were given an increase in their nominal incomes equivalent to the increase in incomes for employees in the socialized sector, preventing real family income for farmers from falling. The increased official purchase prices aim to ensure the profitability of agriculture and to strengthen the positive developments in agriculture.

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## BRIEFS

POLISH-SOVIET INDUSTRIAL COOPERATION--On 24 to 26 June demonstrations of forestry machines and equipment produced in Poland and the Soviet Union were held in Bialsko-Podlaski Voivodship and the Bialoruski District. Builders, producers and users, and research personnel took part in the demonstrations. The demonstrations aimed toward acquainting them with the most successful models of forestry machines and equipment produced in Poland and the Soviet Union and to exchange information on the protection of forests from fires and the methods of harvesting and transporting wood. As a result of the demonstrations decisions were made concerning specialization in the production of machines and equipment, and purchase and sales levels for the coming years were established. Polish experiences with the use of waste wood chips for power production and equipment for protecting forests awakened great interest among the Soviet foresters. The Soviet fire extinguishing unit, dirt thrower, forest plows, and seedling planter caught the Polish foresters' eye. [Text] [Warsaw RZECZPOSPOLITA in Polish 27 Jun 86 p 5] 13021/12947

CSO: 2600/568

## ROUNDTABLE ON SHORTCOMINGS IN APPLICATION OF NEW ECONOMIC SYSTEM

Bucharest ERA SOCIALISTA in Romanian Nos 6, 8; 25 Mar, 25 Apr 86

[Discussion by Lecturer Dr Constantin Popescu, Dr Alecsandru Babe, Dr Gheorghe Sica, Pompilia Lupu, chief scientific researcher, Univ Prof Dr Constantin Enache, Univ Prof Dr Florin Balaure, Dr Iosif Dumitru Bati, Dr Gheorghe Raboaca, Dr Traian Lazar, Miha Biji, chief scientific researcher, Univ Prof Dr Constantin Danciu, Horatiu Dragomirescu, Dr Radu Ciurileanu and Dr Mihai Constantinescu]

[No 6, 25 Mar 86 pp 27-32]

[Text] Nicolae Ceausescu said, "We must work for proper understanding and consistent application of self-management, self-administration and the new economic mechanism. We must realize that everyone is responsible to the people for the way he administers and manages the resources entrusted by the people."

In the 8 years of its application, the new economic-financial mechanism instituted in Romania in pursuance of the decision of the Plenum of the RCP Central Committee in March 1978 has produced a number of good results. The principles of self-management, self-administration and self-financing have been promoted on all levels of the economic system, and the legislation regulating the most varied aspects of economic-financial activity has been improved. The Romanian national economy has logged a number of important results in the way of development and modernization and improved efficiency and quality. In speaking of the application of the new mechanism so far, Nicolae Ceausescu pointed out further that "It can be said that we are still beginning in many fields. Unfortunately there are some who have a lot to say about self-management and self-administration but they interpret them in a narrow or one-sided sense... Self-management and self-administration mean good management by every workers collective and regional unit of the resources entrusted by the people to their administration."

As we know, new measures were enacted to improve the economic-financial mechanism at the beginning of this year by decision of the Political Executive Committee of the RCP Central Committee, which measures were mainly intended for more consistent application of the principles on which that mechanism is based, greater collective and individual responsibility in economic activity, strengthened order and discipline in all components of the national economy, and improvement of the quality and efficiency of social labor.



In view of the new and much higher standards for the unexceptionable operation of the economic-financial mechanism and consistent application of the principles of workers self-management, the editors of ERA SOCIALISTA arranged a discussion of the subject entitled as above, in which specialists, teachers, economists, jurists and researchers took part. We are publishing the first part of the discussion in this issue.

#### An Objective Requirement for Building the New Order

CONSTANTIN POPESCU: The most important of all the complicated problems of building the fully developed socialist society is improvement of the operating mechanism of the national economy as well as social and production relations to meet the new demands made by intensive, modern and highly effective development of the productive forces and by the steady and general progress of socialist society. In treating improvement of the operating mechanism of the economy as an objective requirement for building the new order, Party General Secretary Nicolae Ceausescu pointed out that socialist production relations and uniformity and planned development of the socialist economy do not automatically provide by themselves for a steady advance on the path of socioeconomic progress and socialist and communist construction. That requires a continuous revolutionary process of adapting and improving the organizational structure of production, the democratic structure for workers' participation in social management, and the economic-financial levers for mobilizing individual interests and harmonizing them with the general ones, and improving occupational and political-ideological training as well as the entire people's socialist awareness.

On the party general secretary's initiative, a new operating mechanism for the planned management of the national economy was created and perfected in Romania after the Ninth Party Congress on the basis of a realistic and very far-sighted scientific analysis, as a purposeful, objectively determined manifestation of the workers' threefold capacity as owners, producers and beneficiaries of all that is created in society in the course of workers self-management and economic-financial self-administration of the economic and regional-administrative units. Nicolae Ceausescu said, "As a producer, owner and beneficiary of part of the national wealth, which is the entire people's property, every workers collective bears full common responsibility for management and development of the unit it works for. The rights of the general assemblies and workers councils to decide upon all questions of planning and socioeconomic activity must be combined with application of the national plans for uniform development. We always bear in mind that we cannot in any way weaken uniform socioeconomic management on the basis of the unified plan to combine the interests of every unit and every workers collective with the general interests of Romanian socialist society and the entire people."

The operating mechanism of the socialist economy has its objective determination in the nature of socialist production relations, in the nature and level of development of the productive forces, in the requirements of the objective economic laws, and in the form taken by the socialist awareness of the members of society. In economic policy and practice and in keeping with the particular historical conditions, it applies the set of socioeconomic principles and standards, all the sectorial and regional organizational structures on the micro- and macroeconomic levels, the ways and means of forecasting, planning and democratic management, and the economic-financial levers for mobilizing individual interests and

harmonizing them with the general and group interests, all of which are designed to secure balanced and effective social reproduction and improvement of the material and cultural living standard of all members of society.

Accordingly in the RCP's view improvement of social and production relations and their operating mechanism is closely related to the requirement to consolidate and develop state and cooperative socialist ownership. As the basis of all socioeconomic development but also its direct outcome and as the foundation of national sovereignty and independence and further improvement of the entire people's general welfare, socialist ownership reflects the effectiveness of the operating mechanism of the national economy in the most comprehensive way. Therefore the RCP regards the present mechanism as one of development and consolidation of socialist ownership from the standpoint of both its object and the social relations of ownership that it generates, thereby serving to resolve the contradictions arising in socialist society's evolution in the vital and long-range interests of all society and in a purposeful and uniform way.

Accordingly the measures to improve the operating mechanism of the economy are intended to create the best conditions for combining uniform planned management of all socioeconomic development with workers self-management and economic-financial self-administration in order to heighten the sense of responsibility and initiative of all workers collectives for making the most efficient use of the productive capital entrusted them by the people for exemplary fulfillment of their tasks, while reinforcing the role of the Unified National Plan in directing and coordinating all activities.

Preparation of the plan "from the bottom to the top," its discussion and approval by the workers general assembly, and the use of physical production, net output and commodity output sold and paid for as basic indicators graphically reflect the effort to induce the workers collectives to participate responsibly and competently in the use of the most effective ways and means of enhancing the object of state and cooperative socialist ownership in every economic unit. Meanwhile the introduction of preliminary levels and plan standards for all levels of the organizational structure, as objective restrictions required by the general interests of all members of society, lends the process of improving the operating mechanism of the national economy a uniformity that synchronizes each component's autonomy and responsibility with the demands of national socioeconomic development.

Improvement of the operating mechanism of the Romanian socialist economy made it really possible to find the best ways and means of appealing to the subjects of socialist production relations, the workers as owners, producers and beneficiaries, to participate in social management on all levels of the organizational structure. This is done through a unique system of economic-financial self-administration and self-management, for which the objective operating criterion is the more and more pronounced efficiency of the national effort toward socioeconomic development. In the course of this process, which takes the form of an objective necessity, the RCP fully integrates the technical-scientific, socioeconomic and domestic and foreign factors that make up the particular national and international historical conditions under which the objective economic laws operate, thus applying an operating mechanism of the national economy that more and more thoroughly serves the great objectives of building the fully developed socialist society and Romania's advance toward communism.

By relating the individual, group and general interests to the parameters of production quality and efficiency along with the intensive advance of the new worldwide technical-scientific revolution, the present economic mechanism and its consistent application will contribute to the qualitative as well as quantitative development of the object of socialist ownership. Meanwhile by improving relations among the socialist units and between them and the workers as well as their relations with the socialist state, the present economic mechanism provides for the normal operation of the supply-production-sales cycle and highly effective social reproduction, and it creates a favorable socioeconomic background for growth of the national wealth, application of the principles of workers self-management, economic-financial self-administration and regional self-supply as well as enhancement of socialist economic democratism.

In their unity the regulations in the legal provisions for application of the new economic-financial mechanism are ultimately intended to strengthen order and discipline in all socialist units and to form the legal framework for workers' participation in protection and development of state and cooperative socialist ownership as a lasting foundation for the steady and all-around progress of socialist society and for the continuing improvement of the entire people's material and cultural living standard. The party's and state's recent measures to improve the operating mechanism of the national economy can contribute to the increasingly effective perception of the capacity as owners, producers and beneficiaries by heightening the workers' sense of collective and individual responsibility.

Of course the existence of socialist ownership does not automatically mean progress and prosperity. That requires a competent and highly responsible commitment on the part of all members of society to develop and strengthen every economic and social-cultural unit, socialism being the only system wherein people build their future as they wish it in a free and purposeful way.

#### Greater Importance of the Economic Levers

ALECSANDRU BABE: The introduction of the new economic-financial mechanism and its continuing improvement have invariably been accompanied in Romania by measures to enhance the operation of the economic levers. In fact in any economic mechanism the levers, as economic courses of action, single out particular functions of the mechanism because they direct the units' efforts in given directions of economic activity. In general economic measures are based on prices, financial results and participation in their distribution, the remuneration system and other individual incentives, credits, interest rates etc. They cover practically all fields, namely scientific research and technological design, promotion of technical progress in industry, foreign trade, investments etc. It is essential for the action of the economic levers to be in constant accord with the principles of the economic mechanism to which they belong and with the tasks of socioeconomic development in each stage.

On the basis of Nicolae Ceausescu's innovating scientific views, the shift to the new economic-financial mechanism was characterized by a series of measures intended partly to restructure the economic units' operating mechanism to meet the requirements of economic-financial self-administration and partly to enhance the performances of the other components of the economic-financial mechanism, especially the mechanism for economic management and the one for the Unified National Development Plan. Accordingly the changes in the economic levers were

made for the common and specific purposes of creating better operating conditions for every economic unit and encouraging its efficiency while strengthening uniform management of the national economy. This has proved quite viable as the economic levers have been increasingly well correlated with the aims of party and state policy.

The results of application of the economic-financial mechanism and accordingly of the economic levers and the experience acquired provide valuable standards for evaluating their performances as compared with the goals set. The in-depth analysis of them was basic to the measures to improve the economic-financial mechanism and consequently to enhance the operation of the economic levers that were adopted at the start of this year at Nicolae Ceausescu's suggestion. The process can be checked on several levels. On one hand, under the new conditions the economic levers will have an even greater part to play in consolidating the whole mechanism for economic management and the economic balance (material, financial, monetary and that of foreign exchange). Some of these measures bolster and supplement the levers, as illustrated by the growing importance of the centrals in planned management of the activities of the units that compose them and by the greater responsibility of the collective management organs in enterprises and centrals for fulfilling the plan indicators critical to economic development.

On the other hand, I think the emphasis must also be viewed in another light. In the period before the application of the new economic-financial mechanism began, the technical literature of some socialist countries described two relatively opposed trends, one toward extension of the mechanism of the centralized plan to forms of excessive centralism in economic management that restricted the scope of the economic levers, and the other toward expansion of the scope of economic administration and of the economic levers to forms of economic decentralization and tendencies to interfere with uniform management of the economy, with such bad effects as contradictions in economic development, difficulties in eliminating them, the start of inflationary processes, etc. Now it is even more clear why the new economic-financial mechanism could not have been planned or advanced without abandoning some preconceived ideas and old operating systems.

The action of the economic levers necessarily gravitates around the indicators that control fulfillment of the Unified National Plan, so that their action clearly supplements the performance of the mechanism of the Unified National Plan for purposes of the best possible implementation of the assignments, especially those concerning physical production, commodity output, export volume, labor productivity, production costs (including material outlays) and profit. In this connection, the overall contract system has become a basic lever to encourage the workers collectives to fulfill the Unified National Plan in exemplary fashion.

The new measures to improve the economic-financial mechanism provide for activation of the economic levers because they were intended to meet both the need of reinforcing the economic units' obligations to substantiate their plan proposals and to integrate and correlate their tasks on various levels, and the requirement for proper fulfillment of the approved indicators. Some of these measures are intended for specification of the production tasks, because the entire output for domestic consumption should be contracted for by the time the plan for the next year is in final form, and the output for export should be covered by firm contracts, preliminary or long-term contracts, orders, or agreements so that sales of the products and full use of the production capacities will be

assured. Other measures are for timely preparation of technical-economic programs so that they will conform to the progress of particular processes of qualitative development, or to prevent discrepancies or difficulties in performance of the plan tasks. For example, the consumption norms and the tasks to standardize the products are set 1 year in advance of the plan year, and the technical-economic documentation for equipment with a long manufacturing cycle is completed by the middle of the year before the plan year.

The action of the economic levers is being directed more and more consistently toward the qualitative aspects of production and differentiated according to the economic-financial results obtained, which include several categories of effects such as those of enhanced action of the economic factors determining the technical and qualitative levels of each economic unit's activities, values resulting from enhancement of the favorable economic factors in the form of a given volume of newly created value (or other economic results), and incentives to the workers and economic units according to the extent of the results obtained. As we know, for example, both the economic unit and its collective are interested in making the greatest possible profit. Of course in order to accomplish that efforts must be made to manufacture physical products of better quality demanded by the domestic and foreign beneficiaries, to place new products in manufacture with better technical-economic performances, to lower production costs, etc.

Once the measures to improve the economic-financial mechanism are applied, the profit lever becomes even more attractive to the economic unit because the uses of the development fund are broadened and the internal resources for forming circulating capital are increased. Besides the investment capacities and other tasks (obligations) financed out of the development fund, the latter will also cover modernization of fixed assets along with capital repairs on machinery, equipment and installations (if the value of the modernizations exceeds 20 percent of the value of the repairs). The measure is vital because such projects improve the technical-economic performances of the fixed assets, reduce the inputs of fuels and energy, prolong their lifetimes, lower amortization outlays, etc. On a more general level, it should be noted that such measures also strengthen the economic levers used to keep increasing the internal resources of the economic units helping to finance the productive operations, in keeping with one of the main features of economic-financial self-administration, namely self-financing of all the requirements for capital in the production and reproduction process out of the newly created incomes.

Meanwhile the fund for workers' participation in producing and making a profit and in profit-sharing is of particular importance. It has two components, namely the fund for sharing in the total profit, which all economic units have, and the participation fund for an additional incentive to personnel who have contributed to export production, which economic units producing for export have and which supplements the first fund. The sources of the participation fund are the planned profit, the above-plan profit and in some cases direct levies on the economic units' financial results as well. Terms are also specified for forming the fund that depend on fulfillment of certain plan tasks, observance of contractual discipline, recovery of losses etc. according to which the fund may be increased or decreased as the case may be.

The action of the economic levers is planned by the party and state in the interests of defense and development of socialist ownership and consolidation of

the sense of order and discipline in all economic units. The possibilities created for the economic units for self-financing of their own developmental needs and formation of their incentive funds are implemented on the basis of standards binding on everyone, from working personnel to managers. For economic-financial self-administration is incompatible with any form of voluntarism in administration of the property entrusted by society to the economic unit or in economic-financial management.

#### Democratic Centralism and the Economic-Financial Mechanism

GHEORGHE SICA: The recent measures to improve the economic-financial mechanism are part of the regular efforts of the party, state and Nicolae Ceausescu to improve social and production relations as well as social organization and management and to make all socioeconomic activity more effective. These measures are based on careful, in-depth analysis of the actual results and successes as well as failures in Romania's economic development in the 1981-1985 Five-Year Plan.

Democratic centralism is a fundamental principle of granite on which the structure of Romania's economic-financial mechanism is based. The reason for consistently promoting this principle in connection with the economic-financial system as a whole is the close involvement of the national economy's higher interests with those of its primary components, namely the enterprises, centrals and regional-administrative units in this stage and in future development as well.

As we know, it was pointed out at the 13th RCP Congress that the aims of the 1986-1990 Five-Year Plan and Romania's future development up to the year 2000 require, as an objective necessity, even more intensive development of the role of the state in uniform planning, organization and management of all socioeconomic activity according to the Unified National Plan. In pointing out the need of harmonizing the state organs' activity with that of the new democratic bodies Nicolae Ceausescu said in his Report to the 13th RCP Congress that "Management according to the Unified National Plan requires expansion of the roles and functions of the ministries, centrals and workers councils in all socioeconomic units. This is to be done on the principle of democratic centralism, which harmonizes the extensive initiative of the masses and workers councils with the principle of uniform management of all sectors."

It is quite apparent that socioeconomic phenomena are becoming increasingly complex in the world of today. To this growing complexity the human element "opposes" a series of ways and means of predicting the directions of social development, elevating prospective research, forecasting and planning to the status of a scientific discipline.

Since it was institutionalized in Romania under the new social order, economic growth based on a plan and programs has shown notable results in the last 20 years especially. Planning has proved an effective "weapon" in the process of socioeconomic development because those results were acquired by complete observance of the Unified National Plan and exemplary fulfillment of the plan tasks.

The discipline the Unified National Plan requires as an expression of democratic centralism does not mean the end of the economic units' initiative or of their own interests. On the contrary, it calls for a close combination of their interests with those of the national economy as a whole and of all society, and

technical-economic processes on the microeconomic level in keeping with the options and priorities on the macroeconomic level. The units' role and functions are performed because the plan proposals are made "from the bottom to the top," the enterprise (the legal subject) operates purposefully within the mechanism of the national economy through the contracts it concludes with its suppliers and beneficiaries, and it seeks to obtain funds for expanded reproduction and to strengthen workers self-management and economic-financial self-administration through the decisions it makes concerning the progress of the technical-economic processes.

The RCP and its general secretary feel that the workers collectives should always allow for the vitality and balance of the national economy, greater efficiency, and conservation of social labor when drafting their plan proposals. In other words, initiative and autonomy do not mean that you propose more imports than exports, production below the level of equipment or the available technical-economic and manpower potential, or less profits than production costs. An "autonomy" like that would violate the objective economic laws and conflict with the very reason for the respective unit's existence and particularly with the higher interests of the national economy and socialist construction. That is why the new measures to improve the economic-financial mechanism further strengthen the role of the Unified National Plan as a means of directing the economic processes and harmonizing the interests on the macro- and microeconomic levels.

One of these measures involves a broader perception of centrals and enhancement of their role in the process of planning and checking plan fulfillment. A decree of the State Council requires the State Planning Committee to base all sections of the plan directly upon centrals and some big enterprises and to include all aspects of their activity in checking plan fulfillment on the macroeconomic level.

Of course the greater role of the central in the economic-financial mechanism and the planning system makes increased demands on those units for observance of plan discipline, careful scientific study of the enterprises' technical-economic potential, and breakdown of the plan tasks according to that potential. The planned objectives must be challenging but also realistic, and there must be more and more careful checking of fulfillment of the planned tasks as well as prompt preventive intervention with optimal decisions in resolving the difficulties that can arise in the technical-economic processes.

The intensive type of reproduction upon which national economic development is consistently concentrated in this five-year plan requires regular efforts by the centrals to increase labor productivity and lower costs, especially the material outlays per unit of output. Essentially it is a matter of redoubling the efforts to enhance economic effectiveness and conserve social labor in general.

The recently adopted measures also include some to make the plan more flexible in adjusting to the various situations that arise in the national economy's development. They are intended to improve the compilation of the quarterly, monthly and 10-day plans, to provide for technical-material "coverage" of the plan objectives, and to bring the process of checking plan fulfillment up to a new qualitative level. The ministries' and centrals' obligation to prepare programs and forecasts according to products and groups of products specifying the ways those products will be modernized, the broader development of the technologies, the measures for technical-material supply, etc. is significant in this connection.



The requirement for setting the consumption norms 1 year in advance, so that they can be considered in drafting the next year's plan and the enterprises and centrals can take the necessary technical and technological measures to observe those norms, is one of the steps taken to place the plan proposals on a scientific basis on the principles of democratic centralism. The provision is the more important because the levels of the material outlays per unit of output used to be set before the consumption norms were in final form.

Preparation for manufacture is a key problem to which many of the measures to improve the economic-financial mechanism are addressed, including for example the obligation of the enterprises and centrals making products with long manufacturing cycles to prepare the technical documentation at least 6 months before the start of manufacture, or by 1 July of each year for the following year.

Organization and management of the economy on the principle of democratic centralism are required by the very nature of socialist ownership, and most of the accumulated national wealth (over 98 percent) is state or cooperative property. That property can be managed and used with the necessary and possible efficiency only on the basis of the Unified National Plan, in accordance with the nation's major interests. In that way the principle of democratic centralism keeps consolidating and developing socialist ownership and secures the nation's rapid and all-around progress.

#### The Greater Role of Workers Self-Management and Self-Administration

POMPILIA LUPU: Self-management and self-administration represent a higher form of socialist democracy providing a broad field for full assertion of the initiative and creative power of the workers collectives in organizing and performing their activity and in making and adopting the decisions on rational and responsible management of the material, financial and human resources for the ever greater efficiency of all social labor.

In the period following the Ninth Party Congress the RCP adopted a series of measures at Nicolae Ceausescu's suggestion and with his direct contribution to prepare for the shift to workers self-management and self-administration, so that the principle of collective labor and management was introduced and generalized on all levels and in all fields. Deliberative organs for collective management were formed on all organizational levels, the workers general assemblies in enterprises, centrals and other socialist units and the management councils in ministries and other central institutions. A number of collective management organs were formed on the national level, such as the Supreme Council for Economic and Social Development, Central Council for Workers Control of Economic and Social Activity, the National Workers Council, the National Council for Agriculture, the National Council for Science and Education, the Council for Socialist Culture and Education, the National Minorities Council, and the Legislative Chamber of the People's Councils.

In the RCP's view, self-management is all-inclusive, applying to all activities and all organizational levels of the national economy, thus ensuring all workers' participation in making and applying party and state policy. Self-management and self-administration require every economic unit to operate on economic principles, to have its own budget, to provide for its incomes and accordingly its



necessary production costs, and to obtain a maximal effectiveness and profit, returning to society what was spent on it as well as its quota for general social development.

The workers' threefold capacity as owners, producers and beneficiaries requires a greater role for self-management and economic-financial administration in all enterprises and throughout the whole national economy. As Nicolae Ceausescu has pointed out, in this stage that means "good management of the resources entrusted by the people on the part of every workers collective and every regional unit. And that means managing them so as to obtain a continuing development and growth of the general wealth. Self-administration, self-regulation and self-management require every collective, general assembly and management council to make every effort to make the resources entrusted by the people to their administration contribute to the more rapid growth of the nation's general wealth and the national income, because that is the only way to strengthen the nation and improve the people's general welfare."

In the spirit of Nicolae Ceausescu's directions, the Decree on Measures to Improve the Economic-Financial Mechanism approved at the start of this year calls for enhancement of the role of the general assemblies as the supreme administrative organs of the owners, producers and beneficiaries and that of the workers councils as organs for collective management of all activity. The general assembly analyzes and approves the way the workers councils and their executive bureaux perform their tasks. The workers councils in enterprises and centrals are directly responsible for physical production, the commodity output, assured sales of the products for the domestic market and for export, and promotion of technical-scientific progress, as well as use of every opportunity to increase labor productivity, intensive use of production capacities, better use of material resources, strict conformity to the consumption and stockpile norms, and mobilization of the unit's entire technical-productive potential to obtain quality products at minimum costs. The workers collectives' greater sense of common responsibility for good management of the production units, along with thorough understanding of the general needs of the economy and the necessity of exemplary performance of the tasks stemming from the Unified National Plan for Socio-Economic Development, is the main responsibility of the collective management organs in enterprises.

In analyzing the fulfillment of the Unified National Plan for Socioeconomic Development for 1985 and the whole 1981-1985 period at the meeting of the Political Executive Committee of the RCP Central Committee in February 1986, the party general secretary said that a number of relatively good results were obtained in that period but in view of the possibilities we have and what we must accomplish we cannot be entirely satisfied. All the conclusions must be drawn, and everyone at his workplace must try to perform his functions and fulfill this year's plan as well as possible.

Promotion of workers self-management and economic-financial self-administration is a truly revolutionary act in the system of management and planning of Romanian socialist society. The party requires us to work most consistently and diligently for the actual application of those principles in all economic units, so that the activity of all workers' collectives will be characterized by a sense of careful responsibility in the use of material and financial resources and by one of discipline in performing the tasks.

## Greater Collective and Individual Responsibility

CONSTANTIN ENACHE: The transition to intensive economic development in Romania's present stage also requires in socioeconomic management. As we know, in the period following the Ninth Party Congress one-man management of the economic and social units was abandoned because it no longer suited the new production relations and forces, and collective management set in, implemented by such organs as the workers councils and general assemblies called upon to make legally valid decisions on all essential economic questions. This provides for widespread participation of the workers and the entire people in management of all socioeconomic sectors and of Romania's socialist society, and in the people's purposeful creation of their own free and independent future, the socialist and communist future.

As a manifestation of revolutionary workers democracy, collective management is based upon socialist ownership of the production means, and naturally the workers as owners, producers and beneficiaries directly participate in the management of every economic unit and of socialist society in general. The most efficient decision-making and economic management under the present conditions require full use of the collective potential for scientific, technical and organizational thought of all the workers collectives. As Nicolae Ceausescu said on this subject at the National RCP Conference in December 1967, "Experience tells us that no one man, however competent he may be, can solve such complex problems alone as those of regulation, administration and management of an enterprise, central or ministry. That requires promotion of forms of collective management permitting coverage and solution of the many economic problems, elimination of arbitrary decisions, and use of the experience of the specialists and experts in enterprises and that of the mass of workers."

In the RCP's view, collective labor and management are to be understood in their evolution, i.e. because of the need both of finding new forms of organization and management and of further improving the existing forms and methods to meet the requirements of each stage. It is accordingly a matter of constant innovation and improvement in step with the requirements of socioeconomic progress.

In the light of this view, new standards are being set in the present stage of Romania's socioeconomic development for the performance of collective management on all levels of the social system.

The necessity of active and fully purposeful participation in the management of all sectors on the levels of the enterprise, central, ministry etc. in an efficient way is paramount in this respect. Moreover awareness of socialist ownership is both a result and a requirement of consolidation and development of socialist ownership. It is a result because it appeared and is being developed along with socialist ownership, and it is a requirement because improvement of occupational instruction and awareness further develops and improves socialist ownership.

It is a very urgent requirement in this connection to increase all workers' interest in and direct individual and collective responsibility for efficient administration and management of the production capacities, raw materials, materials and financial and manpower resources, for prevention and control of any forms of waste, and for observance of the laws of the land and the party and state decisions. As Nicolae Ceausescu pointed out at the Plenum of the RCP Central

Committee in November 1985, it is necessary "to further increase the responsibility of the management councils, personnel and workers as owners, producers and beneficiaries."

Competent and responsible performance by every collective management body on the various levels of the national economy's organizational structure has a favorable effect upon regular fulfillment of the plan tasks in all units and upon the balanced overall operation of the national economy as well, just as lags in any one sector have a bad effect on the general economic development. As Nicolae Ceausescu said to this effect in his address to the Joint Plenum of the National Workers Council and the Supreme Council for Economic and Social Development in June 1985, "We have a uniform economy, but it is based on thousands of economic units and redoubts. If one of them malfunctions anywhere, it causes defects and damage throughout the system. Therefore we must cause every unit, both economic and social, to contribute to the development of the whole, namely Romanian socialist society."

Efficient management throughout the national economy ultimately depends on the quality of the collective management on the level of every one of its subsystems. Accordingly improvements in the activity of every workers council or every workers general assembly, as well as the improvements and innovations made at the levels of the enterprises and centrals favorably affect the improvements being made on the scale of the whole national economy and their rate.

The existence of the organizational forms and the democratic structure needed for workers' participation in decision-making is an unquestionable fact characteristic of the Romanian system of economic management. Now the main problem is to convert this huge potential into a real force for progress in all units and sectors of the national economy, as the party keeps pointing out, and the quality and competence of the people who in turn impart their quality and competence to the collective management organs are critical in this respect. It is a question here of both professional training and advanced socialist awareness, which largely determine the sense of duty and responsibility for the results of their own work and those of the other workers, the advanced attitude toward the assigned tasks, and constant concern for public property.

Economic training of all workers is also vital, and especially that of members of the management councils of units, centrals, ministries etc. That enables them to play an active and effective part in discussion of the problems and in making and implementing the decisions knowledgeably, competently and responsibly, to make rational use of the resources, to evaluate any activity by the ratio between results and outlays, to judge any action by the criterion of rationality, and to manage the entrusted portion of the national wealth as productively as possible.

The more efficient performance of the collective management organs accordingly depends not only upon the members' professional ability but also upon each one's awareness of his responsibility as a member of the respective collective management organ and upon his understanding of the necessity of placing his working potential, talent and skill and all his creative powers and efforts in the service of production and the general interest.

/Text/ Nicolae Ceausescu said in his address to the Plenum of the RCP Central Committee of 1-2 April 1986, "We need a radical change in views on finance and economic activity... The financial and economic revolution is immediately urgent for us, and we must implement it very rapidly and consistently!"

The first part of this discussion was published in ERA SOCIALISTA No 6, 1986. The participants referred in their comments to the role and importance of protecting and developing state and cooperative socialist ownership, to democratic centralism as the fundamental principle of national economic management, to the growing importance of self-management and self-administration and of use of the economic-financial levers, to the greater collective and individual responsibility in the management of the socioeconomic units, etc., in the light of the recent party and state documents and Nicolae Ceausescu's speeches.

The Plenum of the RCP Central Committee of 1-2 April pointed out again, with particular emphasis, the need of proper understanding and consistent application of the principles and standards of the new economic-financial mechanism, self-management and self-administration in order to bring all activity in Romania up to the necessary and possible levels of efficiency. As Nicolae Ceausescu pointed out in his important speech concluding the proceedings of the plenum, "We intend to apply the principles of the new economic mechanism consistently and in the spirit of the decisions of the 13th RCP Congress and in that of self-management and self-administration. We talk a great deal about this, but frankly we have not accomplished much in practice. Our financial and economic systems are still outmoded systems. We talk about a new mechanism, but as I said at the meeting of the Political Executive Committee we are operating with an obsolete one, and unfortunately not only the mechanism but people themselves are mired in old ideas and views, and as a result that new mechanism is not being properly understood or applied."

Upon criticizing some negative aspects of economic-financial activity and some attitudes and practices that conflict with the new mechanism, the party general secretary formulated a series of urgent objectives, tasks and measures to enhance the sense of responsibility and efforts of the collective organs and managers on all levels of Romania's social system and those of all workers for purposes of exemplary fulfillment of this year's plan and the whole five-year plan with higher standards of efficiency and quality.

In the spirit of Nicolae Ceausescu's masterly speech, the participants in the second part of the discussion, which we are publishing in this issue, bring new arguments in support of consistent, unfailing application of the new economic-financial mechanism and of greater efficiency in all activities.

#### High Sense of Responsibility for Efficient Management of Public Property

FLORIN BALAURE: A profoundly democratic system of living and working was created in Romania in the course of socialist revolution and construction by basing all socioeconomic activity upon the workers' common ownership of the production means. It is supported by the new social status of the members of Romania's socialist order as owners of the production means, creators of the material and

cultural values, and beneficiaries of all that is created through their efforts. This new social situation has lent labor a new and higher content and made it necessary for every citizen fit to work to perform a useful activity and to participate directly and responsibly in the activity of an administrative or social-cultural economic unit according to his abilities and society's needs.

This fundamental combination of the capacities of producer, owner and beneficiary lends every worker's awareness the feeling of a proprietor in society and has powerful incentive effects in the economic mechanism. The interest, conscientiousness and sense of responsibility clearly evident in the competition among workers collectives are supported by the owner-producers' common aspiration to secure the further progress of the national economy and to improve their living and working conditions accordingly.

Participation in administration, in management and in making and implementing decisions is the sum and substance of economic democracy. This essential feature of socialist ownership relations has been accomplished in Romania by institutionalizing an economic mechanism based on workers self-management and economic-financial self-administration, on Nicolae Ceausescu's initiative and with his decisive contribution. The workers' direct participation in management of the units where they work calls for a high sense of individual and collective commitment and responsibility for good use of the material and financial resources entrusted them by society. As it says in the Law on Organization and Management of State Socialist Units, "The working personnel in every state socialist unit are responsible for the management of the entrusted property and for the unit's results. As a participant in the administration of the national wealth, every worker is responsible to his collective for fulfillment of his own assignments and, jointly with the collective as a whole, for the efficiency of the unit's general activity."

The responsibility of the workers as collective owners of the production means and beneficiaries of the results of the work performed is accordingly both collective and individual at the same time. Collective responsibility mainly concerns the way the workers collectives and collective management bodies (workers general assemblies, workers councils, their executive bureaus, commissions on problems, etc.) exercise their powers and functions as well as the way the units organize and perform the activity and the results they obtain. As the party general secretary pointed out at the Plenum of the RCP Central Committee of 1-2 April 1986, "If we are to carry out the 13th Party Congress' decisions it is more necessary than ever to heighten the responsibility and standards in the work of all party organs and organizations, all state organs and the workers management councils, from top to bottom, and to increase the responsibility of the general assemblies of workers as the true masters of the country and as owners, producers and beneficiaries."

As we know, in the last 8 years successive legislative measures have been enacted granting the economic units broad powers, functions and responsibilities for drafting their production plans and budgets of incomes and outlays, organizing their manufacturing processes, maintaining relations with suppliers and beneficiaries, managing the material and financial resources, distributing and using the profits, etc. The Decree of the State Council on Measures to Improve the Economic-Financial Mechanism also stipulates to this effect that "The workers

councils in enterprises and centrals are directly responsible for physical production and the commodity output, assured sales of products on the domestic and foreign markets, promotion of technical-scientific progress, use of all opportunities to enhance labor productivity, intensive use of production capacities, better use of material resources, strict conformity to the consumption and stockpile norms, and mobilization of the unit's entire technical-productive potential to make high-quality products at minimum costs." Individual responsibility concerns the way each member of the workers democratic bodies as well as every worker performs his tasks and exercises the powers entrusted to him.

The scope of responsibility includes all socioeconomic problems at every step in the cycle of activity, from design operations and setting the plan tasks through prompt procurement of the resources and efficient organization of manufacture to delivery of the products to the beneficiaries and collecting for them. Because the efficiency and responsibility with which the problems arising at every one of those steps are solved essentially affects the units' final results, the decree of the State Council primarily requires the output for domestic consumption to be practically entirely contracted for before the next year's plan is in final form. As we know, in the years since the new economic mechanism was introduced the plan year was started with a large part of the output uncovered by contracts, causing serious difficulties. The requirement instituted by the said decree provides a solid basis for the plan in the future by placing it on a threefold foundation of procurement of the needed material resources (energy, raw materials etc.) through supply contracts, beneficiaries' orders for the respective output through delivery contracts, and complete loading and use of the capacities. This permits regular performance of the activity and complete fulfillment of the plan.

The provision that the consumption norms and the tasks for standardizing products and materials are to be set a year in advance of the plan year, so that they can be used to determine the plan indicators for the following year, is also highly important. That interval enables the ministries, centrals and enterprises jointly with the research and technological engineering institutes and the specialists in units to analyze the technical-organizational measures thoroughly and to determine them in time to conform to the consumption norms set in the very first days of the plan year. This will prevent exceeding the regulation inputs as some units already do in the first months of the year.

And finally, the efficiency of the activity will also be enhanced by the requirement to determine the outlays on raw materials, materials, fuels and energy for components, semimanufactured goods and products on the basis of the consumer norms set and allowing for use of advanced technologies, intensive use of production capacities, and the most efficient management of the material resources, as well as by determination in the plan of both the total consumption of the main material and energy resources per unit of output and the minimum quantities of reusable resources that will be used in the total consumption. The enterprise managements are accordingly requested to make a more responsible effort to use the material and energy resources efficiently.

Responsibility also means making all arrangements for more pronounced growth of labor productivity and making efficient use of the entire manpower potential, so that every worker will make a maximum contribution to fulfillment of the production tasks. In speaking of the purport of workers self-management, Nicolae

Ceausescu first emphasized the high responsibility that it entails, mentioning it means that "Every workers collective shall be directly responsible for the resources and property entrusted by society as part of the entire people's property..., and that every unit shall provide, by its own efforts, for efficient production, for the incomes needed for wages and the other social and production outlays, and for its contribution to the state budget as well, as part of the general fund for development and other needs."

Consistent application of workers self-management and enhancement of socialist economic democracy require as a first consideration all workers' awareness of the responsibilities that it imposes. The workers' capacity as owners, producers and beneficiaries cannot be fulfilled, nor can the superiority of Romanian socialist democracy be fully exploited unless every manager and worker realizes that complete implementation of the programs for socioeconomic development and growth of the national wealth, which is essential to the greater good of all members of society, entirely depend upon their further participation in rational, efficient management of the resources, their creative involvement in decision-making, their competence and sense of responsibility, and their active commitment to practical action.

Responsibility, as an essential, intrinsic component of democracy, inherently requires exercise of control. Through control the workers can learn how the party decisions and laws of the land are observed and enforced, how the decisions of the various collective management organs are carried out and what specific results and economic effectiveness they produce, how the production capacities and material and financial resources are used, how the raw materials, energy and labor force are managed and employed, etc.

Exercised by virtue of the people's inalienable right to unfailing fulfillment, strict observance and firm defense of their vital interests, control is and must be all-inclusive, over all components and sectors of activity on all organizational levels, and over all problems. No one with any responsibility nor any activity can escape control. As the party general secretary said, "Tight control must be exercised in all activities. Society must know how its material and financial resources are managed and how the workers collectives and managers perform their tasks. No one can escape control and responsibility to the workers in any way."

The responsibility of the workers collectives, the administrative organs and bodies, and personnel with particular functions and powers for the management and use of the material and financial resources of the economic, administrative and social-cultural units cannot be a moral responsibility alone. Romania has institutionalized a mechanism whereby the efficient managers can earn the more the greater the profits they make, while the unsatisfactory ones who cause losses pay for the consequences. It is ethical and right to recover the loss to the unit which is caused by inefficiency, negligence or indifference and which also detracts from the incomes obtained by the workers collective from the guilty parties. As Nicolae Ceausescu pointed out at the Plenum of the RCP Central Committee of 1-2 April 1986, "Firm measures must be taken to increase the material and financial responsibility, both individual and collective, to socialist ownership. To be quite clear, I mean both the personal liability of the managers and that of the management councils, all workers, and the general assemblies."

The self-management and self-administration system, in all its components and connections, provides a powerful incentive in Romania to exploit initiative, experience, creative power and the economic spirit. But it also requires firm commitment to responsibility. Experience tells us that the wide range of material incentives must be accompanied by measures clearly and consistently involving material liability any time harm is done in the unit's management. Therefore measures are welcome that stipulate that losses to the units through faulty organization, overconsumption, disregard of contractual discipline etc. shall be borne by the guilty parties.

All these new measures are quite in accord with the basic principles of the Romanian socialist system and with the spirit of economic-financial self-administration. They are intended for tighter discipline in all stages of production and on all jobs, more responsible use of all resources, complete and punctual fulfillment of all plan tasks, and greater economic effectiveness, thus making it possible to increase the workers' incomes.

#### Efficiency As the Goal of the New Economic Mechanism

IOSIF DUMITRU BATI: It has been a main concern of the RCP's in the last 20 years to develop its own plan, based on the laws of socialist construction, to stimulate the whole process of building the new order under Romania's particular conditions while combining workers revolutionary democracy with a high efficiency in all socioeconomic activity. Nicolae Ceausescu's role has been decisive in designing this plan and in formulating the principles basic to continuing improvement of the system for organizing, managing and planning the national economy and the economic-financial mechanism as a whole.

Valuable practical experience was acquired from the fundamental restructuring of the economic-financial mechanism and widespread promotion of workers self-management and economic-financial self-administration. The decisions approved by the Plenum of the RCP Central Committee in March 1978 laid the foundations of this process of improving the organization, management and planning of the national economy, and they were subsequently developed by party decisions and implemented through a number of laws and other regulatory acts, chief among which is Decree of the State Council No 19 of 1986 on Measures to Improve the Economic-Financial Mechanism.

The ratified measures helped to develop the productive forces and improve social and production relations, and also to further develop socialist ownership, to make more efficient use of the socialist units' funds, and to increase the annual cash accumulations. Moreover broadening the functions and powers of the collective management organs in the socioeconomic and regional-administrative units in regard to planning and technical-material supply, the steps taken to improve the set of economic-financial indicators, introducing the budget of incomes and outlays as a chief means of securing the financial balance, institutionalizing the system for workers' profit-sharing, extending the principle of self-financing to all socialist units including the regional-administrative ones, stabilizing all categories of prices and rates, expanding and generalizing organization and remuneration of labor on the overall contract system, obtaining a favorable balance of trade (growing steadily in recent years), lowering the foreign debt, etc. have all resulted in and permitted greater economic effectiveness.



In the last five-year plan the Romanian economy made a number of important advances under party leadership in spite of the hardships of the worldwide economic crisis and some contradictions and defects in various sectors. Nevertheless, as Nicolae Ceausescu pointed out at the recent Plenum of the RCP Central Committee, we cannot be satisfied with the way we concluded 1985 because "The potentials of the national economy, the modern industry we have built, the possibilities of socialist agriculture, and the power of science, education and culture in Romania provide for and should provide us with some better results. Upon noting some shortcomings in fulfillment of physical production, the technical and qualitative levels of some products, labor productivity, production costs and the planned profits, the plenum called for intensive efforts to remedy such defects from the very start of this five-year plan.

Workers revolutionary self-management and all workers' participation in managing are taking on new values as the Romanian economy becomes increasingly committed to the intensive development that was established at the 13th Party Congress and specified in the 1986 plan and throughout the new five-year plan. The party general secretary has repeatedly stressed the need of more initiative on the part of the workers collectives for better management of the wealth entrusted to their administration by the people and with better results, as well as greater responsibility for a high effectiveness of social labor for the managers and workers general assemblies and councils.

Furthermore practical implementation of workers self-management and economic-financial self-administration call for a new view of the workers' social status, or of socialist ownership, in addition to institutionalizing and applying the new economic-financial mechanism in its constant improvement. The new measures to improve the economic-financial mechanism were based on that view, and they accordingly more precisely defined the material responsibilities in connection with management of property, provision for product quality, reduction of material and energy inputs, fulfillment of economic contracts, and ways of recovering losses to the economy from those guilty of mismanagement of the funds. The new measures are also designed to improve the activity in the finance and banking system and in crediting production, and also in technical-material supply and in the system for workers' incentives and responsibility for quality production, for purposes of enhancing the efficiency of economic activity as a whole.

The recent Plenum of the RCP Central Committee emphatically stressed the necessity of firm measures for further improvement of management and planning of the national economy and for the best possible performance of the workers revolutionary democratic institutions for continuing improvement of the efficiency of the entire activity. The questions taken up concerned scientific organization of production and labor through consistent application of the laws and decisions on organizing and standardizing the work in all fields, beginning with improvement of the technologies and organization of the production flows.

Bringing about an economic and financial revolution and a correct understanding and application of the principles of the Romanian economic-financial mechanism are considerations of urgent importance. Accordingly special emphasis must be placed on rational use of the economic, financial and banking levers to arouse general interest in greater efficiency. In the field of bank credits it is intended to restrict the volume of credits and even to do away with them where

possible, through the economic units' greater efforts to increase quality production, to produce the output sold and paid for regularly, and to obtain the necessary liquidity that way. The adopted measures are intended for the socialist units' more intensive self-financing, the fastest possible turnover and sales of the products, substantial reduction of stockpiles of finished products (or of raw materials, materials and semimanufactured goods) and immobilizations of funds and resources in general, and ultimately, lower production costs and increased profits and profitability.

The measures to standardize the commodity output per 1,000 lei of fixed assets are to be applied more consistently. They are intended to check the declining trends in output per unit of fixed assets that appeared in the last five-year plan, and also to proportion the investment funds for new capacities more rationally on that basis when there are insufficiently used production capacities. Correct application of these regulations will unquestionably increase production, conserve investment funds, redistribute them rationally among the economic sectors, and enhance the effectiveness of the allocated funds as well.

Measuring the real efforts made by the collectives of the socialist units as well as their results calls for use of rationally set prices and careful checking on their stability. The Plenum of the RCP Central Committee accordingly requested simplification of the system for recording the outlays and setting the prices along with control and prevention of negative trends in the form of artificial price increases. Improvement of the whole banking and financial system and especially unified financial control will play an important part in this.

Good and efficient implementation of the provisions of the Unified National Plan for Socioeconomic Development for this year and the whole 1986-1990 period and thorough understanding of the assigned tasks and objectives by all workers and all collective management organs, as a manifestation of workers revolutionary democracy, are essential to the further improvement and efficiency of the economic-financial mechanism and greater effectiveness in all fields. To this end the workers general assemblies are expected to analyze the way the plans are drafted and substantiated and their material base procured. This requires rational and timely treatment of the solutions to the problems in connection with specification of the physical production for domestic markets and for export, thorough preparation for manufacture, proper choice of technologies, rational standardization of material and labor inputs, complete use, with higher indices, of production capacities, placement of orders and conclusion of contracts for technical-material supply, reduction of stockpiles to a minimum, regular sales of products, and ultimately fulfillment of the plan tasks characteristic of intensive development such as greater labor productivity, lower production costs, and increased profits, profitability and commodity output per 1,000 lei of fixed assets.

The RCP and its general secretary have assigned the workers general assemblies the task of discussing and approving decisions on good management of the portion of the national wealth entrusted by society, full use of machines, equipment and installations, better use of all material resources, strict conformity to the consumption norms for raw materials, materials, fuel and energy, rational use of the labor force, regular improvement of the occupational training of working personnel, mobilization of a unit's entire technical-productive potential to obtain greater outputs of high quality at minimum costs and to enhance the efficiency of the whole activity, and consistent organization and remuneration of work

on the overall and direct contract systems. This also includes the general assemblies' duty to analyze observance of contractual obligations; requests for, use and repayment of bank credits; conformity to the legally set prices; performance of the information system and the accuracy of the reported data, etc.

In the spirit of workers revolutionary democracy and the law, the party naturally expects the workers general assemblies to be staunchly supported by the party organs and organizations and the competent organs of the centrals and ministries, especially those for economic coordination, in order to solve problems that arise promptly and rationally. This point is particularly important because according to law the Council of Ministers finalizes the draft plan for the following year according to the comments and suggestions of the workers general assemblies and councils in order to create the best conditions for greater efficiency in all activities.

#### The Overall Contract System for Consistent Distribution According to Work

GHEORGHE RABOACA: Extensive promotion of the overall contract system in all socioeconomic activity is an inseparable part of the party's and state's efforts to improve social and production relations and the operating mechanism of the national economy. Those efforts took a new and lively form in the recent ratification of the Law on Remuneration of Working Personnel on the Overall and Direct Contract Systems. As the party general secretary pointed out at the Plenum of the RCP Central Committee of 1-2 April 1986, "It is absolutely necessary for us to generalize the overall contract system in all activities in the next few months on the basis of the new law and to make it actually possible to increase incomes on the basis of work without restriction. But we must also firmly apply the provision that no one may have guaranteed incomes without work either.

The overall contract system is based on the new principles of improvement and more consistent promotion of remuneration according to work, and it is now the main form of remuneration in Romania. Through it nearly all the incomes from work (base pay plus the contractual addition) are distributed to working personnel and the cooperative farmers.

The decision to generalize the overall contract system in the present stage of building the fully developed socialist society in Romania and shifting to intensive economic development was based on the RCP's views about the new economic-financial mechanism, workers self-management, and the socioeconomic units' self-administration. This method of remunerating and organizing collective work is based both upon the workers' threefold capacity as owners, producers and beneficiaries of the results of production and upon the increasingly collective nature of production and labor and the requirement for every member of society, regardless of his position in the social division of labor, to work for rapid application and promotion of technical progress and intensive growth of economic effectiveness.

Whereas the contract system is regularly based on the possibilities of affecting the results of production coming from the man-machine relationship, the overall contract system is based on a higher and far broader viewpoint. As a form of remuneration and organization, it encourages full use of technical progress, the entire technical-material base and the manpower resources and fosters more interest in complete use of the working time of the man and the machines as well

as the spirit of initiative, collaboration and mutual aid on the job. It broadens the worker's outlook and interest in the overall results from the narrow limits of his own job to that of the collective, the shop, the section and the enterprise. It favors more rapid acquisition and transmission of professional disciplines, multiple qualification and alternation of work and great flexibility of personnel in the performance of a variety of tasks and operations, and it furthers receptiveness to the new and especially to innovation, rationalization, technical progress etc.

The overall contract system reflects the Romanian conception of the collective worker and the way to apply the socialist principles of remuneration. Its generalization throughout the national economy according to the law recently enacted by the Grand National Assembly is born of the necessity of the workers' greater and more effective commitment to the aims and tasks of national socioeconomic development and improvement of the people's material and cultural welfare.

The overall contract system covers practically all categories of working personnel, directly and indirectly productive workers and experts and managers in sections and operational departments, including administrative personnel in units, centrals and enterprises. All categories of working personnel must be covered because consumption of labor must be rationalized in every component of the social division of labor and every worker must make a maximum contribution strictly in keeping with the tasks of the production plan and with the requirements for its complete implementation with high economic effectiveness.

Expansion and generalization of the overall contract system objectively requires a definite start of improvement of the work norms for all categories of personnel in every component of production and labor and on all organizational levels. If the effectiveness of the overall contract system is to be fully exploited, the work norms must accurately reflect the levels of technical equipment, continuing modernization of the technical base, and improvement in the organization of production and labor. And to obtain maximum effects in implementing the production plan, it is still necessary, depending on the main particulars of production and work, to organize the overall contract system both in small and medium units and in large ones, from subunits like teams, shops, crews, brigades, farms, worksites and sections to plants, factories, enterprises etc. Choice of the size of a work unit on the overall contract is determined by the conditions and particulars of production and the work, since the quantitative and qualitative aspects are to be combined in evaluating the results of the work in each individual case and the remuneration is to be correlated with their extent.

As the overall contract system is promoted, the amount of remuneration heavily depends upon a much more accurate quantitative indicator of the results of work, namely physical production (according to varieties, products, subassemblies, parts, components or operations) as specified in the Unified National Plan for Socioeconomic Development and in the plans for ministries, centrals and enterprises. The wage fund of the work unit on overall contract according to physical production is determined by multiplying the latter by the pay rates per unit of physical production or operation, which rates are based on the processing determined by norms and standards for the manufacture of each variety, subassembly, part or component for all the categories of personnel in the work unit.

In view of the requirements for distribution according to work and the fact that neither society nor any worker is or can be indifferent to the outlays and efficiency with which the physical production plan is fulfilled and overfulfilled, the mechanism for setting remuneration on the terms of the overall contract system also correlates the size of the remuneration with the degree of fulfillment of some of the most representative qualitative indicators. Accordingly in addition to physical production, the wage fund entered in the overall contract for work units, shops and sections in production is set according to some criteria as well as some conditions. According to the law the criteria important in raising or lowering the wages are the planned index of use of raw materials, the planned index of products derived from a given quantity of raw materials or, in their absence, the criterion of regulation specific consumption of raw materials, materials, fuel and energy, and the planned proportion of higher-quality products if it is set according to grades of quality. If these criteria are not met, the sums due for physical production are reduced by 1 percent for every percentage point of nonfulfillment of all the criteria taken together. They cannot be increased or decreased by more than 10 percent by these criteria.

The sums due for materialized physical production and the degree of fulfillment of the set criteria are granted in full if a number of conditions are met such as fulfillment of the planned indices of use of production capacities and conformity to the regulation specific consumption of raw materials, materials, fuel and energy when they are not considered criteria. As contrasted with the criteria, the conditions for remuneration can affect the rights to remuneration only by reductions when the specified levels are not met.

Fulfillment of export tasks plays a special part in determining the rights to remuneration. If the members of the work unit on overall contract have export products to make, they receive a 1 percent bonus for every percentage point whereby they exceed the export output. If the latter is not met a penalty of 0.5 percent is deducted for every percentage point.

The same criteria for raising or lowering the wage fund are applied on the enterprise level as in the case of the work units. But there are more conditions for granting the sums due as, for example, implementation of the plans for exports, net output, commodity output sold and paid for, use of production capacities, labor productivity, commodity output per 1,000 lei of fixed assets, outlays per 1,000 lei of output, etc. The sums due enterprise personnel are determined by the results of all the enterprise's subunits, fulfillment of physical production, the criteria and the conditions, and implementation of all plan indicators on the basis of quotas per 1,000 lei of commodity output or 1,000 lei in volume of operations. The sums due for materialized production according to the degree of fulfillment of the criteria and conditions are increased or decreased as in the case of the work units.

On the level of the industrial centrals, ministries and other central or local organs, all personnel are remunerated on the overall contract system according to implementation of the planned production and the other plan indicators applying to the subordinate units. In this case the remuneration is raised or lowered without restriction according to the degree of plan fulfillment in an even greater number of indicators, namely physical and commodity production, use of raw materials or output of products, proportions of products according to grades

of quality and for the export plan, labor productivity, activation of investment capacities, maximum outlays per 1,000 lei of commodity output, volume of commodity output per 1,000 lei of fixed assets, and conformity to the consumption norms for raw materials, materials, fuel and energy as well as other specific indicators.

The general requirements of the economy for raising the technical and qualitative standards of the products made it necessary to add some considerable extra incentives. Accordingly management personnel of the units producing exports, industrial centrals, ministries and other central organs and people's councils as well as the department heads with export functions benefit monthly by a bonus of 1.5 percent of their pay for every percentage point whereby the exports and export production specified in the plan are exceeded. If the export production plan and the planned exports are not implemented, the penalty is 2 percent for every percentage point unfulfilled.

As an essential requirement of distribution according to work and of the new economic-financial mechanism, remuneration is also closely correlated with the results of work in the process of distributing the sums due for the results obtained among the members of the work units on overall contract. The latter as a way of consistently meeting the requirements of distribution according to work is collective in nature but it has nothing in common with leveling or egalitarianism. The work units include various categories of personnel in the area of production and labor who perform tasks of varying complexity, and they distribute the sums due among their members, in the case of all organizational levels, according to three essential criteria, namely the contribution of each to the work unit's results, each member's rating, and the time worked by each.

In order to enhance the equitable and incentive character of the distribution, the directly productive workers operating on time and production norms are paid according to the principles of the direct contract, that is according to each one's results. The sum so obtained is raised or lowered according to the degree of fulfillment of the contractual criteria, and if the conditions are not met it is lowered by the same percentage that is applied to the fund due for the whole work unit. The craftsmen, engineers and technicians performing the most complex operations are paid at the rate of specialists.

As we know social production and its economic effectiveness are subject to very diverse conditions. This is particularly true of the production cycle, its variations etc., which must be allowed for in applying distribution according to work and in choosing the particular forms of remuneration. Nicolae Ceausescu said, "We must find the right forms of contracts for all fields, so that everyone's income will depend on the degree of plan fulfillment. Pursuant to that directive, the recently ratified law specifies particular ways of applying the overall contract system to fields and activities that will unquestionably encourage all workers to regularly obtain better results in fulfillment of the plan and their tasks.

#### Role of the Budget of Incomes and Outlays

TRAIAN LAZAR: It is a basic requirement for application of the principles of the new economic-financial mechanism for every economic unit to compile and use its own budget of incomes and outlays in order to cover its production costs out

of its own resources and to make the profits needed for development and as an additional incentive to the workers collectives as well. In general, as Nicolae Ceausescu pointed out at the recent Plenum of the RCP Central Committee, the organization and performance of financial activity requires a radical change of ideas, a veritable revolution. The party general secretary said, "We must actually base all activity on the principle of self-administration in accordance with the legal provisions. Every unit should have its own budget of incomes and outlays and proceed from the necessity of covering most of its outlays out of its own incomes and activity. Resorting to credits should not be a rule but a means of coping with the requirements of the activity until production and collections are secured. Every unit should produce, sell, collect and provide for its production in that way."

In the series of measures to apply the new economic-financial mechanism, the budget of incomes and outlays is emerging as a basic instrument of planning and management of financial activity, analysis and control, and securing the financial balance in all units. It correlates, in monetary terms, the economic activity in every unit, the management and use of the material, manpower and financial resources, and the results obtained as well. It can be called the "ship's log" of the production units' economic-financial activity and the way every leu is acquired and spent on the production required by society to the greatest effect. It serves the collective management organ, the director and the chief accountant as a means of directing the economic and financial activity to obtain the maximum output at minimum costs. It is also a correlated report of the unit's collective management and entire workers collective on the way the people's money was spent.

Reporting and answering to the people for the way the entrusted portion of the national wealth was managed is a vital matter that must be thoroughly understood in connection with the concepts of self-management and self-administration. In criticizing some who are still talking a great deal about self-management but interpreting it in a narrow, one-sided sense to the effect, among other things, that it gives them license to spend the people's money indiscriminately and that self-management and self-administration mean spending and not accounting to the people for the way the money was used or what results were obtained, Nicolae Ceausescu pointed out that "Self-management and self-administration mean good management by every workers collective and every regional unit of the resources the people entrust to their administration. But that means managing them for a continuous development and growth of the general wealth."

When well compiled and consistently applied, the budget of incomes and outlays secures better financial discipline and order in all units and activities as a major requirement for true self-management and economic-financial self-administration and for exemplary fulfillment of the Unified National Plan for Romania's Socioeconomic Development. The role of this budget as a tool for economic-financial planning, management and control cannot be developed unless all the collective management organs of the economic units attach particular importance to sound substantiation of the provisions in it. This mainly requires compilation of the budget of incomes and outlays in close correlation with the economic indicators in the units' production plans as integral parts of the Unified National Plan for Romania's Socioeconomic Development. The cash flows specified in the budgets must always accurately reflect the creation and circulation of the material values resulting from each unit's production and development plan.



If the provisions under the heading of budgetary incomes are to be properly substantiated, the volume of planned output must be correlated with the existing capacities, all products in the plan must be specified and contracted for, stockpiles of products and invoiced quantities must be calculated as accurately as possible, and production and delivery prices for products and corresponding average prices for groups of products must be used, as well as other measures to be taken. To this end the Decree of the State Council of January 1986 on Measures To Improve the Economic-Financial Mechanism calls for specification of all physical production and its coordination with value production in the economic units' plans, as well as strict observance of the legally set production and delivery prices. That provision is necessary because, as Nicolae Ceausescu pointed out at the Plenum of the RCP Central Committee of 1-2 April 1986, some units, industrial centrals and departments have tended to plan and especially to collect incomes derived from artificially inflated prices without the physical production in the assortments needed by the national economy and the public, whereas planning and collection of budgeted incomes must be based on an increased volume of the output required by society, better and modernized products, and fulfillment and overfulfillment of the plan for deliveries on the domestic market and for export.

The outlays entered in the budgets require the same in-depth analysis by technical, economic and other specialized personnel, the collective management organs and the workers in each unit in order to determine and precisely apply the measures to lower production costs by reducing consumption of raw materials, materials, fuels and energy and all material and manpower inputs and by promoting the results of scientific research and technical progress in production. For this purpose it is particularly important to set and of course observe firm financial standards for each activity and product to indicate the maximum outlays and the minimum returns. As Nicolae Ceausescu pointed out at the Plenum of the RCP Central Committee of 1-2 April 1986, "We must make a definite start toward self-management and self-administration in all fields and make really certain that absolutely all sectors are operating on the principle of the budget of incomes and outlays and covering more and more of their outlays, or all of them where possible, out of their own incomes without resorting to credits any longer."

The increased role of the budget of incomes and outlays in economic-financial activity heavily depends upon continued improvement of the budgets' organization and control of their implementation. And for that the collective management organs and workers general assemblies must analyze the implementation of the budget of incomes and outlays periodically and according to the legal provisions. It is not a matter of form but a practical necessity, an efficient method making it possible to intervene in time to solve the problems that arise in the budget's implementation and prevent any financial difficulties. These analyses consist of exacting and responsible evaluation of the fulfillment of the economic and financial indicators and of the implementation of the budget of incomes and outlays by items and as a whole. All these measures can make the budgets of incomes and outlays of the economic units and subunits effective instruments for decision-making and control in economic-financial activity, for heightening responsibility on all organizational levels, for strengthening discipline in the use of productive capital, for preventing and eliminating any waste of the national wealth, and for committing all of society's material and financial resources to socioeconomic development.



## Exemplary Plan Fulfillment Requires Order and Discipline

MIHU BIJI: The results of Romania's socioeconomic development in the 1981-1985 Five-Year Plan provided for an important stage in its progress, characterized by qualitative changes throughout the economy, steady development of all sectors and activities, and improvement of the people's material and cultural living standard through growth of the national income and national wealth. As Nicolae Ceausescu pointed out at the Plenum of the RCP Central Committee of 1-2 April 1986, "We have every right to view what we have accomplished with satisfaction. But I must say frankly that we could have obtained much better results if we had taken more consistent and resolute action in all activities in a more exacting and determined spirit and if all the party organs and organizations and all workers collectives had worked in a completely revolutionary spirit under all circumstances." Actually, aside from the objective factors that burdened economic activity, there were also a number of defects in organization of production and in use of production capacities and the labor force, as well as some deviations from the standards of discipline.

The start of the third stage of the RCP Program, ushered in by the Directives of the 13th Party Congress, emphasizes a new quality of work, more intensive development of all sectors, and elimination of the contradictions among certain aspects of social reproduction. Accordingly the main objectives are strengthened order and discipline at work, more purposeful workers' participation, and higher standards with greater responsibility to meet the increasingly complex requirements of the production processes developed on a more and more technical and scientific basis.

The extensive measures to improve the planned management of the economy are particularly important. They are based, in accordance with the party general secretary's thinking, on the objective necessity of expanding the workers' participation in developing and implementing the plans and programs for socioeconomic development on all organizational levels of the economy.

Application of the new economic-financial mechanism based on workers self-management and self-administration has equally increased both the functions of the workers collectives and the requirements for strict order and discipline at work and complete observance of the obligations assumed by the workers general assemblies in enterprises, approved by the workers democratic forums on the national level, and enacted by the Grand National Assembly in the form of the Unified National Plan for Socioeconomic Development. As Nicolae Ceausescu has pointed out, "Self-management and self-administration mean good management by every workers collective and every regional unit of the resources the people have entrusted to their administration."

Efficient management of enterprise property primarily means strict observance of plan discipline in the unit's performance of the tasks flowing from the Unified National Plan for Socioeconomic Development, which is based on the primary units (industrial and agricultural enterprises and production cooperatives) for purposes of correlated and harmonious development of all subsectors and sectors of the economy. Nonfulfillment of the planned production in any one sector or enterprise causes imbalances and "chain" difficulties in other sectors, and production discipline accordingly requires not only individual participation in the labor process but also attainment of the planned parameters of the activity.

It does not apply to any one worker alone, but to the entire workers collective in an enterprise.

The analyses made at the party general secretary's suggestion and under his guidance revealed that a number of difficulties and failures in the last Five-Year Plan were directly due to nonfulfillment of the planned physical production of all assortments and exceeding the planned material inputs, causing disruptions in technical-material supply.

Understanding of job discipline in the full sense of the word, namely active and purposeful conformity to the production process, becomes particularly important in the shift to intensive development based on pronounced improvement of labor productivity and product quality. Disciplined conformity to the production process does not mean confining yourself to observance of the unit's operational program but primarily requires complete use of working hours and the increasingly complex technical inventory with which every work place is equipped and in which society has made heavy investments. At the same time job discipline demands initiative and constant efforts to improve one's own activity, to find new ways of increasing the efficiency of the activity as a whole, and to manage all the enterprise's property better and better.

Complete performance of the plan tasks in both quantity and quality, conformity to the consumption norms for raw materials, materials and energy, and fulfillment of the tasks for export and for raising labor productivity and the technical and qualitative standards of the products are also criteria for judging order and discipline in an economic unit, central or ministry. By improving the legislation on economic activity, the Decree of the State Council on Measures To Improve the Economic-Financial Mechanism strengthens the responsibility of the workers councils and general assemblies and of every worker for physical production, commodity production and the tasks for sales of the products on domestic and foreign markets, promotion of technical progress, and general improvement of economic effectiveness. The extensive measures taken by the party and state accordingly provide for implementation of the 13th Party Congress' assignments. As Nicolae Ceausescu said on this subject, "We have all that is necessary. We have a plan in keeping with the Romanian people's potentials and the needs of national development. What counts now is how we carry out the plan."

#### The Central As the Chief Component

CONSTANTIN DANCUI, HORATIU DRAGOMIRESCU: As workers self-management and economic-financial self-administration are consistently promoted, major qualitative and structural changes are taking place in the operation of all organizational components of the uniform system for planned management of the national economy. This is also true of the development of the centrals' role in the main function of economic management, namely planning, and in organization and conduct of productive-economic activity according to the provisions of the Unified Nation Plan.

The formation of the centrals began shortly after the Ninth Party Congress thanks to Nicolae Ceausescu's creative thought and consistent effort to further improve socioeconomic organization and management, and it has proved its full viability over the years. It has emerged as a precise method, suited to Romanian economic conditions, for rational distribution of the powers of decision-making and action

in the conduct of material production and for enhancing integration and coordination on the level of the primary organizational components of the economy and consequently the flexibility and efficiency of those components in operation.

The centrals play a well-defined role in the present mechanism of economic management, a role based on the general conception itself and on the principles for forming organizations like centrals by uniting (according to uniform criteria) some primary economic units (enterprises) in order to capitalize on the advantages of specialization, cooperation, concentration and combination in production, of joint solution of problems on the level of the entire group of units, and of the better coordinated performance of the management functions on the level of the said group.

The central combines the characteristics of a large economic unit with those of a body for coordinating the activities of the primary units that compose it. The first aspect means that the status of the central in the general socioeconomic organization is not the purely administrative one of an intermediary between the central coordinating organs for sectors (subsectors) and the primary productive units because it also benefits by the advantages of direct connection with production through a closer and more direct interconnection of the administrative functions with the operational ones. The second aspect, concerning the central's performance of management functions for the activities of the group of units it unites, is based on the fact that those functions are largely the same on the levels of both the central and the enterprise, but they take the form of functions characteristic of each of the two levels. As compared with the enterprise, the central has both the authority and the potential for the information, analysis, decision-making and control needed to solve the coordinating problems that arise on the level of the group of units in the performance of each of the management functions and especially that of planning.

Decree of the State Council No 19 of 20 January 1986 specifies the centrals' increased tasks in the new stage in their capacity as plan administrators required to operate on the principles of workers self-management and economic-financial self-administration as well as direct responsibility to the government for plan fulfillment. Under the new regulations the greater role of the central as the chief component in drafting and implementing the plan is reflected in the improved method of determining, correlating, specifying and checking the objectives of the plan according to its administrators on the micro- and macroeconomic levels. The State Planning Committee drafts the plan for socioeconomic development in cooperation with the ministries, basing it directly on the centrals and assimilated units, and the implementation of the plan is broken down and checked directly according to centrals as well as large combines and major enterprises.

The centrals have extensive potentials for drafting the plan and therefore considerable powers both in guiding the enterprises under them in drafting their plan proposals and in compiling the plan proposals for the whole central uniformly. Technical and economic problems calling for an integrating treatment beyond the enterprise's forecasting and regulatory capacities can be approached systematically and from a long-range viewpoint on the level of the central, such problems as modernization and renovation of the list of manufactures, quality and technical level of products, standardization and typification, medium and long-term promotion of products for domestic markets and export, evolution of the

central's activity and its place in the social division of labor, ways of securing the reserve of research and design measures for new products and technologies, extensive use of research findings and expansion of technical progress, provision for future manpower requirements, evolution of the technical inventory and the efficiency of the activity performed, alternatives for specialization and cooperation with other centrals and for participation in programs for international economic cooperation, etc.

The central serves as an information center in the course of the planning operations. From its dialogue with the correlating organs and the coordinating ministry of the sector and with the research institutes and foreign trade enterprises it acquires an extensive and varied fund of information from which it can select the absolutely necessary components for scientific preparation of the most realistic and challenging plan proposals for each subordinate enterprise and for the central as a whole. In the course of drafting the plan the central can improve upon the enterprises' proposals in the successive stages, and by correlating them it provides for their rationalization in accordance with the qualitative criteria that are defined and uniformly applied on the scale of the whole group of units that it unites in its structure.

In the light of the foregoing the central performs its particular functions in the planned determination of the microeconomic optimums and their integration in the partial optimums in the sectorial structure and accordingly in the general socioeconomic optimum. On the level of the central, the problems of structural interdependence and interaction of the technical and the economic aspects of production and related activities, as well as the problems of expressing the physical aspects of reproduction in terms of value and vice versa, are the most subject to analysis and planned resolution.

The central has particular tasks for rapid adjustment of productive activity to the priorities of the national economy and to foreign market demands on the basis of careful prospecting. Moreover as a component serving to coordinate the primary units' activities, the central performs the important functions of checking attainment of the planned parameters of efficiency and quality or conformity to the consumption norms for materials, energy and manpower and to the planned indices of use of resources and production capacities, fixed and circulating capital, and the units' own financial reserves as well as the funds allocated on the level of the central. In that way the tasks and functions of organizations like centrals meet the requirements of intensive development of the national economy and further strengthen the role of the Unified National Plan as a basic tool for managing that development.

#### Broad Functions and Greater Responsibilities of Financial Control Organs

RADU CIURILEANU: The intensive development of economic activity through emphasis on its qualitative aspects that characterizes the current five-year plan requires understanding and consistent application of the principles of the new economic-financial mechanism, workers self-management and economic-financial self-administration in all fields as well as greater responsibility for every workers collective, all socialist units and especially their managements for exemplary fulfillment of the plan tasks and the best possible management of the material and financial resources without losses or waste. In criticizing a

number of attitudes and practices conflicting with the principles and standards of the new economic-financial mechanism, Nicolae Ceausescu pointed out at the Plenum of the RCP Central Committee of 1-2 April 1986 that "We need a radical change in the ideas about finance and economic activity. The technical-scientific revolution is not confined to production of machinery and equipment alone. To be sure it is very important there, but the technical revolution and the scientific revolution must also be effected in the financial and economic field. For us, the financial and economic revolution is immediately urgent, and we must accomplish it very rapidly and consistently!"

Highly effective use of material and financial resources in every socialist unit requires strict observance of the laws of the land and especially the law on the plan, which calls for every effort to implement all its provisions, and it also requires regular development of socialist ownership, the economic basis of the Romanian socialist order, without any impairment of its integrity. In other words, the manager must be responsible for the portion, large or small, of the national wealth entrusted to his administration, and losses of socialist property must be borne by those responsible for them and not by society.

For that reason and in accordance with the decision of the Political Executive Committee of the RCP Central Committee, a series of measures were enacted to improve the economic-financial mechanism in critical fields such as planning, technical-material supply, economic contracts, investments, wages etc. and in matters of organization and management of the socialist units as well. The new regulations are especially noteworthy that concern greater responsibility for the collective management organs for the units' efficiency, implementation of plan tasks, observance of contractual obligations, conformity to the regulation inputs and outlays, avoidance of any uneconomic or illegal outlays, strict application and enforcement of the standards for setting prices, elimination of waste and prevention of any impairment of socialist property.

The new regulations rightly provide collective material responsibility if no measures are taken to prevent possible losses to the unit due to nonfulfillment of the plan tasks, exceeding the consumption norms, etc. indicating incompetence, carelessness, absence of control, etc.

Assimilation and consistent application of the principles and standards of the new economic-financial mechanism place important responsibilities and obligations on the organs for economic-financial control and inspection. In the first place, it is the duty of all such organs to know the measures to improve the economic-financial mechanism thoroughly and to understand the purpose, significance and importance of each one of them, while examining the particular conditions under which they are applied to the socialist units' activities. In the second place, it is their duty to help the socialist units' managements with discussion and assimilation of the new measures by all personnel so that they will be understood and applied down to the last job. No effort is too great to make every worker realize the necessity of their purposeful application in the interest of his unit's efficiency.

It is also the duty of the control and inspection organs to lend the socialist units extensive support in their measures to eliminate and prevent situations leading to disregard of the regulations in force, because it is the main

purpose of those regulatory acts to have firm measures taken in every socialist unit and workplace to strengthen order and discipline in the processes of production and management of material and financial resources and to learn and apply all technical, economic, financial, administrative and control regulations in order to prevent any impairment of socialist ownership and to fulfill the plan tasks regularly in all indicators and on time. As Nicolae Ceausescu has pointed out, the financial organs for inspection and control have a wide and varied range of functions for that purpose that should considerably improve the present efficiency of the activity.

The management of the material and financial resources should be organized and directed so as to avoid any loss, waste or impairment of socialist property. For that purpose it is particularly important to organize a strict technical-operational accounting to indicate the state of the unit's property at any point and the correct results of its economic-financial activity, and also to organize a perfected internal information system to supply data on daily progress with the plan tasks. It is also vital to inventory the property as one of the most effective ways of determining the integrity of public property. Good organization and preparation of the inventory, instruction of the commissions formed for the purpose, and taking the inventory on the spot and not in an office guarantee prevention and elimination of any losses. According to the law, the managers are materially liable for losses to the unit caused by personnel under them because of failure to inventory the property. For the same reasons it is particularly important to inspect goods entering and leaving the unit and to store, preserve and manage them under the best conditions, and also to hire managers according to the rules specified by law.

Regular control within every socialist unit is becoming increasingly important because the collective management organs are materially liable for losses caused by personnel under them due to failure to provide effective and punctual control. To avoid such situations, the organs for economic-financial control and inspection are expected to help the managements of socialist units revise and correct all the forms of control and self-control instituted by the law (financial-preventive control, vertical current-operational control, and internal financial and other forms of control) so that all these tools of workers self-management will function with maximum efficiency and violations, damage, losses and waste will be prevented. The favorable experience of many enterprises has proved that only a tight and systematic internal control exercised daily in sections, shops, factories, subunits and all workplaces where material values are stored and managed can signal promptly any failure of the management organs to take remedial and preventive measures.

#### Importance of Knowledge and Observance of Economic-Financial Legislation

MIHAI CONSTANTINESCU: Strict application of the law and reinforcement of legal order are basic requirements for socioeconomic activity in all areas and sectors of society if Romania is to advance on the path of building the fully developed socialist society. As Nicolae Ceausescu said, "Let us not for a moment forget that development of socialist democracy and mass participation in management require all social activity to be squarely based upon laws and standards that precisely determine the courses of action, and that observance of the laws of the land is an objective necessity for social development."

Comprehension of the objective necessity of legality is based on the fact that in socialism the law is an effective instrument of party and state management of socioeconomic activity and purposeful direction of social changes as well as an accurate reflection of the entire people's will and interests. Therefore legality is a logical outcome of knowledge of the socioeconomic factors that determine it and of the fact that the measures that it institutes are the result of a comprehensive process of reflection and evaluation of the situations that led to the adoption of a given regulation, so that legality is based upon the very knowledge of the need of enacting it.

The close connection between development of socialist democracy and consolidation of legality is abundantly clear in this light. Involvement of citizens in public life, their participation in discussion and solution of the problems on which national development depends, and formation of public opinion against any negative manifestations are the main courses of action for strengthening individual responsibility for the way observance of the rules of law and respect for the law are brought about.

Enforcement of legal provisions is a far-reaching social phenomenon with at least two essential requirements, namely knowledge of the law and formation of the habit of observing it. Without knowledge of the law there can be no understanding or interpretation of it, nor any supervision of how the whole law-enforcement effort is generally effected. Moreover legality is not only a matter of abstract, purely rational understanding of the content and necessity of it but also a practical matter of a moral-volitive nature of forming the habit of applying legal provisions unconditionally.

In reference to the development of legislation regulating economic relations, Nicolae Ceausescu said back in 1972 that the purpose of that process is "to place relations among enterprises, centrals and ministries entirely on a legal basis." Legislation accordingly became an effective instrument for directing and shaping economic activity and a basic criterion for decision-making in the management of all organizational components of the economy. The legal component is therefore an essential element of the economic-financial mechanism instituted in Romania. It was created by enacting some vital measures to improve socioeconomic activity to meet the present and future requirements of social development, either by revising some regulations from a new standpoint (in the fields of planning, technical-material supply, finance and economic contracts) or by drafting new regulations to generalize the overall contract system, to institute the pledge-contract and self-financing of the regional-administrative units, to improve the investment system, etc.

Accordingly the new economic-financial mechanism took the form from the very start of new legislation regulating the economic-financial processes. Institutionalizing the legal aspects of the principles of workers self-management and economic-financial self-administration and those of improvement of the planning process, the system of economic contracts and the way workers' incomes are more closely correlated with the results obtained in production, etc. has played a decisive part in implementing the new economic-financial mechanism and in directing and shaping economic activity to meet its requirements. All those are due to the fact that by legislating the party's and state's economic policy the law provides for implementation of that policy through proper organization of the conduct of economic relations and the exchange of activities.



The standard of law, as a legal reflection of the complex and changing economic reality, serves as a major means of regulating the economic processes by providing for their organized conduct on given terms and according to given criteria for evaluation. Moreover the legal standard makes the idea of responsibility, as an essential factor in the characterization of economic behavior, a specific element and an active factor in the integration of the subjects in the system of conducting the activity. It is an essential factor because, as Nicolae Ceausescu has said, self-management and self-administration are to be understood in the sense that "What is produced in Romania and all its material and cultural values belong to the people, are the property of the people, and no one may waste or damage that property and wealth." Legal penalties for violating proper economic behavior, regulated by the standard of law, are an important means of meeting this requirement by making the legal provision binding and imposing it if necessary by way of constraint.

Application of the principle of the supremacy of the law in regulating economic relations led to including new activities in the area of legal standards. The regulations on the new economic-financial mechanism are the keystone of the economic-financial legislation. Improvement of those regulations, as well as other regulatory acts, has led and undoubtedly will lead in the future to the adoption of new measures, forms of organization and kinds of responsibility.

In connection with application of the new economic mechanism Nicolae Ceausescu said, "We intend to take firm action to implement self-management and self-administration in all units, including the regional ones. We have obtained a number of results, but it can be said that we are still beginning in many fields." Accordingly, economic-financial legislation is subject to constant improvement. The measures specified in Decree of the State Council No 19 of 1986, adopted to amend and supplement some regulations on planning, economic contracts, finance, material liability etc., are intended to improve the legislation on the economic-financial mechanism.

As the role of law in regulating economic relations is enhanced and as economic-financial legislation evolves, knowledge of that legislation, continuing extension of the meaning of the measures it enacts and their correct application become increasingly important. It can be said that for most people the law has already become an inseparable component of their daily activity at work. Professional training is increasingly dependent upon specialized legal training, and improvement of professional training upon in-depth knowledge and understanding of the law in general and of the regulations governing the field in which each one works in particular. Legal awareness takes the form of legal-professional awareness to a great extent, and this development is an important aspect of forming the new man because understanding and observance of the law reflect a new and advanced attitude toward life and society that is essential to purposeful and responsible participation of the workers and the entire people in socioeconomic and all social management.

Socialist ownership, uniform planned management of the economic processes, harmonious development of the various activities, and improvement of economic democracy, self-management and self-administration, and in general bringing economic activity up to a qualitatively new level to meet the demands of the new technical-scientific revolution mean that provision for knowledge and strict application of the law will play a critical role in economic and financial activity,



because any violation may lead to chain disturbances. Therefore it can be said that at present knowledge and application of the law have been transformed from a mere legal requirement and an obligation of the workers as citizens to an objective economic requirement for the efficiency of the decision-making mechanism on all organizational levels of the economy.

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## PLANS FOR TRAINING SKILLED WORKERS IN 1986-1990 PERIOD

Bucharest REVISTA DE PEDAGOGIE in Romanian May 86 pp 40-42

[Article by DR Gheorghe Rusitoru: "Provision of Manpower over the 1986-1990 Period"]

In the 20 years that have passed since the 9th Party Congress, Romanian schools have educated well-trained cadres for all sectors of economic and social activities, totalling more than 3.4 million workers and foremen and around 625,000 specialists with advanced training capable of meeting the requirements of development and modernization of the economy.

Creatively adopting the advanced traditions of the Romanian school and continuing them to a higher stage, Romanian education at all levels has experienced an uninterrupted process of improvement and modernization over the last two decades. This process has underlain the principles of integration of education with scientific research, production, and sociopolitical practice and adaptation of academic and vocational structures to the changes brought about by the dynamic development of human society. In this connection, the educational network at all levels has been improved, sensible geographic distribution of the network has been ensured, on the basis of the school-age population, measures have been taken to establish a school teaching the 1st to 10th grades in every commune, the network of agroindustrial and forestry lyceums has been consolidated, and efforts have been intensified to provide vocational guidance of students toward the trades needed by the basic sectors of the national economy (mines, petroleum, energy and machinebuilding, agriculture, etc). Vocational schools have been extensively developed. The number of students trained by this form of education amounted to around 329,000 in the 1985-1986 academic year, as against 140,000 in 1980-1981. Evening lyceum education and higher education have been extended at worker centers, which have undergone significant development in major industrial centers.

As Comrade Nicolae Ceausescu has pointed out, "during the years of socialism we have created a modern educational system which ensures thorough training of all our young people, the cadres needed for all sectors of activity."

A comprehensive system of ongoing improvement in the vocational training of all workers in step with the progress of science and technology has been instituted. During this 5-year plan, more than 13 million workers

have been involved in skill improvement training activities, including 11.2 million skilled workers, nearly 257,000 foremen, more than 929,000 technicians and other personnel with intermediate-level training, and more than 784,000 engineers, economists, and other specialists with higher education.

The acceleration of the intensive growth of the economy, the marked increase in labor productivity, the elevation of the technical and quality level of products, the increase in product competitiveness, the active participation by scientific research in Romania in bringing about the new stage of the contemporary technical and scientific revolution, the development of production automation, cybernetization, and robotization, the raising of economic and social activities to a new, modern level, and the firm application of the new economic mechanism during the 1986-1990 5-year plan create new demands as regards provision of personnel possessing high technical and scientific knowledge and coordination of labor personnel requirements with the provisions of the development programs of each sector.

The following goals must be reached in order to accomplish these tasks:

Suitable training of the labor personnel required, in accordance with the development of the sectors of material production and other sectors of the national economy; sensible distribution of the labor force among production sectors, closely coordinated with the tasks of increasing labor productivity; recruitment and training of the manpower needed by the sectors that ensure development of power engineering and raw materials resources (mines, petroleum, geology, metallurgy, energy).

Improvement in the age structure of the population employed in agriculture, through more extensive orientation of young school graduates toward this sector; increase in the degree of employment of the gainfully employed agricultural population throughout the year, through development of permanent activities and diversification of such activities for greater satisfaction of the requirements of the national economy and the rural population.

Continuing development of education at all levels, with account taken of the priorities established in development of the various sectors of the national economy, so as to ensure the training of skilled workers, technicians, foremen, engineers, and other specialists with higher education.

Provision will be made for ongoing modernization of education on the basis of the most recent achievements of science and technology, introduction of polytechnic education, and close integration with production and research. Special attention will be devoted to mastery by young students of the fundamental scientific disciplines represented by mathematics, physics, chemistry, and biology, and other subjects, and to molding the younger generations in the spirit of the dialectical materialist and historical concept of nature and society, revolutionary humanism, and the ideology and politics of the Romanian Communist Party.

Care will be devoted at all times to organization and conduct of on-the-job training, to ensure mastery by the younger generations of the skills necessary for pursuit of useful vocations enabling young persons to be integrated rapidly into production.

Improvement will be made in the activities of the foremen's schools, which must provide their students with knowledge of the most recent achievements in the area of modern trades, techniques, and technologies, and methods of scientific management and organization of production and work.

Higher education, and higher technical education in particular, will continue to develop, in accordance with the new achievements of contemporary science and technology and closely coordinated with the requirements of practical activities. Faster growth of evening education will continue to be ensured, so as to enable workers employed directly in production to obtain ever higher qualifications.

Further improvement in the process of redistributing cadres and all workers as a necessity imposed by the contemporary technical and scientific revolution and the requirements of scientific organization and management of production and work.

Attainment of the goals of development of education and further improvement in personnel training over the 1986-1990 period will mark significant progress in more intensive involvement of all citizens of the country in the vast process of creating a comprehensively developed society. It will lead to better and more intensive tapping of the creative potential of the Romanian people, for the general good of society and improvement in the welfare of every worker.

In constantly concentrating its efforts on construction of the new social system and on continuing improvement in the material and cultural prosperity of the entire people, the Romanian Communist Party devotes constant care to education, an important factor in culture and civilization, in elementary and advanced training of workers, and in comprehensive development of our socialist society. Consequently, today we have a clearcut goal, and a modern, unified concept, elaborated by the party secretary general, the president of the Socialist Republic of Romania, Comrade Nicolae Ceausescu, the concept of a system of instruction and education which offers pupils and students an optimum framework for training at the highest level teacher personnel who are deeply devoted to party policy and to a profession chosen by young people eager for learning and resolved to distinguish themselves by fruitful work in the service of their country and which provides these young people with material resources adequate for their needs.

On the basis of the guidelines set forth in the party program and in the directives of the 13th Congress of the PCR [Romanian Communist Party], and the instructions and guidance provided by Comrade Nicolae Ceausescu, during the 1986-1990 5-year plan education at all levels is to ensure the vocational training of nearly 2 million people.

More than 1.2 million skilled workers, technicians, and foremen are to be trained, especially for the basic sectors represented by the mining, petroleum, chemical, metallurgical, and machinebuilding industries.

The share of skilled workers in the total number of workers will continue to increase, from 86.9 percent in 1985 to 90.7 percent in 1990.

The principal source of skilled workers over the 1986-1990 period will be represented by graduates of vocational schools and the second level of the lyceum, through courses in simple trades of low complexity, as well as courses administered for multiple-skill training and requalification of personnel, as a result of personnel surpluses in some sectors, and especially through transfer of surplus personnel to directly productive activities or changes in technologies. To create a suitable skill structure for the population employed in the cooperative sector of agriculture and in areas in which agricultural cooperatives have not been established, provisions will be made for the vocational training of nearly 600,000 persons skilled in trades specific to the crop and livestock raising sector and to minor industry and the service industry in rural areas. Approximately 146,000 engineers and other cadres with advanced training will be trained in higher education. The majority of the required personnel with higher education will be specialists in technical specialties such as mechanical engineering, electrical engineering, metallurgy, chemistry, and agriculture. The number of personnel with higher education will increase from 618,000 in 1985 to 752,000 in 1990.

The personnel education plans call for study at the first lyceum level by the entire class of graduates of the 8th grade, more than 92 percent of whom are to attend industrial, agroindustrial, and forestry lyceums. Vocational education will annually train 1/3 of the graduates of the 10th grade of the lyceum. This will make a substantial contribution to provision of skilled workers especially for basic sectors of the economy such as mining, drilling and extraction, metallurgy, construction, etc. In the 1990-1991 university years, more than 30,000 students will attend daytime and evening courses in higher education.

Fulfillment of these plans confronts the educational system with special, qualitatively superior tasks exemplary performance of which requires sustained activity in the following principal directions.

Improvement in the network of educational units, the classified list of fields, specialties, and trades, on the basis of evolution of the school-age population and the specific personnel requirements deriving from the provisions of the master program for economic and social development of Romania at the local level, and the program for local development and geographic distribution of industrial facilities.

Organization of an intensive and broad school and vocational orientation campaign in which all teacher personnel, children and youth organizations, other mass and public organizations, parent civic committees, and other elements that can assist this work are to take part.

Continuing modernization of the content of the process of instruction and education, on the basis of the most recent scientific and technical achievements, organic integration of education with production, research, and practical sociopolitical work, steadfast application of the new educational plans and curricula, in order to ensure, in keeping with the goals of each level of education, thorough mastery by pupils and students, in a comprehensive training system, of fundamental scientific, general educational, and sociopolitical subjects, and specialized fields, as well as inculcation

of practical skills in the trades and professions for which young people prepare themselves.

Broad-spectrum education of future cadres to permit their multiskill training, so that when they complete their education they can be actively employed with good production results in public-sector activities and can efficiently perform the operations of control, tending, and maintenance of the machinery and equipment with which they work, can utilize the powerful equipment and material resources available to the national economy at the maximum parameters of these resources, use raw and intermediate materials, energy, and fuel with maximum economy, meet the growing requirements set for labor productivity and product quality and for universal application of the new economic and financial mechanism, and will be able to make the transition easily from one technology to another more efficient one and from one job to another.

Continuing improvement in higher education, and technical education in particular; evening and non-attendance education will be expanded for the most highly developed sectors in order to meet the needs for specialists with wide experience in production.

Stimulation of the creative capacities, intelligence, inventiveness, and inclinations of studious young people toward research and development, and encouragement of a spirit of innovation and creativity.

Education of the younger generations from the most tender age in the spirit of the work ethic, respect and enthusiasm for productive work, the sole source of increase in national wealth and personal welfare and happiness and the decisive domain of assertion of human personality; knowledge by pupils and students of the cultural heritage and history of the country, the material and cultural creativity of the Romanian people and of other peoples; education of pupils and students in the spirit of the revolutionary dialectical materialist and historical concept of nature and society, socialist humanism, the ideology and policy of the Romanian Communist Party, and the spirit of revolutionary socialist patriotism.

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## PRODUCTION, NOT PUBLIC LOANS, SEEN AS KEY TO EMPLOYMENT

Belgrade BORBA in Serbo-Croatian 10 Jul 86 p 2

[Article by S. Bakic: "Where is the Key to Employment?"]

[Text] The pressure of unemployment, which is always unforgivable squandering of labor resources and further **growth** is in the complicated economic situation in which we find ourselves also further increasing tensions of a non-economic nature. At the end of March there were 73 unemployed persons for each unfilled job in Kosovo, 30 in Bosnia and Herzegovina, 18 in Macedonia, 11 in Serbia (9 in Serbia less the SAP [Socialist Autonomous Provinces] and in Montenegro), 8 in Vojvodina, 7 in Croatia, and 1.5 in Slovenia.

One look at these data suffices to show not only the heavy pressure on employment, but one of the fundamental sources of both economic and political instability in Yugoslavia.

The most extensive attempt to solve the unemployment problem has been made with loans. Thus, subscription of a public loan for employment, which is to create new jobs for around 12,500 workers, will be completed by the end of this month.

In Macedonia a draft version of a law has been enacted which is to go into effect on 1 January 1987 and is to remain in effect until the end of 1990. The employment loan which this law makes official is scheduled to accumulate more than 63 billion dinars making it possible to create 20,000 jobs.

The introduction of a loan is also planned in other republics, such as Montenegro, while in Serbia the plans call for stepping up the process of pooling employment funds, and the self-management agreement on employment adopted in Belgrade is to help as early as this year to carry out the ambitious plan of hiring 27,000 jobless persons.

All the attempts of this kind to solve the unemployment problem are merely a beginning unless it is also solved by means of loans, for which the employment loan widely conducted and successfully completed in Bosnia and Herzegovina serves as an exemplary model. More than 1.2 million workers subscribed to the loan for in excess of 41 billion dinars, that is, 103 percent of the planned amount. Nearly 60,000 jobless people are to find work on the basis of the 604 programs carried out with the assistance of the loan funds.

As is known, these actions will have an economic effect along with their undoubted political and social effects. Quite a few opponents among economists allege that such a method of "conscious, planned" employment is on shaky legs because it is not based on the "natural" needs of the economy, but is rather forced on the latter along with a kind of financial "quick fix." At the last meeting of the Federal Committee for Labor, Health, and Social Policy, the opinion was even expressed that the creation of such funds actually represents "taking resources away from the capable, and the proper way is encouragement of the economically capable rather than socialization of the problem."

Viewed in a long-term perspective, these actions are indeed only a "straw in a whirlwind." The disparity between the developed and undeveloped parts of the country from the viewpoint of employment as well will become even greater, and this will further aggravate the overall employment problem, inasmuch as it is the most highly developed precisely in the under-developed areas. At the current rate of natural demographic growth, the total population growth in the developed regions is 29 percent, and 70 percent in the under-developed ones, and the serious problem arises of whether it will be possible to ensure genuine solution of the unemployment problem under the given demographic conditions even by the end of this century with a far higher rate of economic growth than planned, quite aside from the question of the feasibility of this plan.

With our combination of ethnic groups, economic growth is already a serious factor restricting radical solution of the unemployment problem, even when the increasingly popular idea of reducing work time is involved.

As we know, it is a question of the possibility of effecting a simple increase in the number of workers by introducing new shifts, something which is after all a theoretically feasible and economically favorable option when the level of utilized capacity and machinery in the Yugoslav economy is taken into account. However, at the conference recently held under the auspices of the journal EKONOMIKA, the opinion was heard that operationalization of this goal might entail a number of unfavorable consequences unless all the circumstances in the Yugoslav economy are taken into account. Thus, for example, machinery in the country is most often shut down "because of a lack of common sense, a poverty of ideas, and a shortage of production programs that cannot sell products and that often increase losses through increase in production."

It also seems to be a genuine fact that the majority of developed countries have work schedules longer than the 36 hours weekly to which we want to reduce our schedule unless we find employment for new workers. Thus, in Belgium the work week is 38 hours long, 40 hours in the FRG, The Netherlands, Italy, Austria, Sweden, and the United States, 42 in Switzerland, and 44 hours in Japan. The labor productivity in all these countries is high, and our reducing work time would at least represent elevation of the Yugoslav productivity level to the level of these highly developed countries. As a matter of fact, even the developed countries underwent a productivity crisis several years ago. They decided, among other things, to step up major capital



investment and release personnel. These measures are inconceivable in Yugoslavia today during this period of very severe decline in productivity.

Consequently, a third way of solving the unemployment problem must be found. The economists agree for the most part that this third way is really the first one and is the most dependable method of solving other problems as well. At the employment meeting referred to of the Federal Committee for Labor, Health, and Social Policy, the idea was expressed that increased unemployment is merely a natural result of the crisis. In contrast to the period between 1976 and 1980, when the economy "grew" at the rate of 5.6 percent, the growth of the social product dropped to 0.6 percent over the last 5-year period. Productivity declined from 1.6 percent to -1.8 percent, and the investment volume, without which there is no development, from 6.1 percent to -9.1 percent.

Hence it is normal that, under conditions such that all economic quality indicators are declining, there should also be a decrease in the ability of the economy to create new jobs. This ability is nothing more than a measure of further economic growth. Consequently, an employment rate of 2.4 percent is even exceptionally good, even if many persons do make statements to the effect that, in view of the economic base, behind this rate are serious pressures for unjustifiable employment.

The key to solution of the unemployment problem lies in economic growth and, despite all the "auxiliary" measures, the problem can really be solved only when the economic organism comes to life. Hence unemployment must be considered in connection with other more fundamental problems of the economy, and must be solved by the only method possible, speeding up overall economic growth.

6115/12955  
CSO: 2800/320

## QUESTION OF PERMITTING STOCKHOLDERS UNDER SOCIALISM DISCUSSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 7 Aug 86 p 4

[Interview with Dr Vladimir Jovanovic, professor, by Vladimir Gligorov: "Private Capital and Development: Is It Possible To Have Socialist Stockholders?"; interviewer, date, and place not given]

[Text] The idea of introducing the owning of stocks in our economy, which was mentioned on several occasions back in the late sixties, has never been thoroughly worked out. Not without good reason, since there are many dilemmas and things which are unclear. There were the fewest problems with foreign investors. The precisely stated legislative solution does not allow foreigners to acquire the inalienable right of management in our economy. The legal enactments have to some extent elaborated the possibility of an investment of an organization of associated labor or work organization in another production organization. Under the Law on Past Labor the right to participate in the distribution of income is acquired in that way, but part of the risk is also borne. Nevertheless, experience has shown that these legal arrangements are not sufficiently precise either.

There have been no proposals whatsoever for the introduction of stockholding in the private sector or of the possibility of workers purchasing the stock of their own or another work organization. The major dilemma here is the relationship between work and ownership. Would someone acquire the right of management without labor, solely on the basis of the resources invested? The economic and social consequences that would ensue are also unclear. Would the owning of stock increase social productivity and total income?

It can be assumed that stockholders would be much more involved in management, since their profit would depend on the correctness of their business decisions. However, the question is the extent to which other workers would be motivated to increase income, since the present arrangements also make it possible to increase income, both total and individual, since widespread leveling smothers any interest in greater effort. Reflections about the workers as stockholders have often, then, gone no further than the category of past labor as a possible initial share. The problem is that past labor in our country has been defined in terms of years of service not in terms of the material contribution achieved over those years.

The idea of stockholding in a socialist system, although not a new one, is interesting to talk about precisely because of the dilemmas which it raises and which force one to reflect on whether the present solutions could be further developed or whether there exist better ones. Dr Vladimir Jovanovic, professor, and Vladimir Gligorov, free-lance journalist, talk about stockholding in a socialist system in this issue of the newspaper.

[Question] How about the possibility of issuing and using shares of stock in the socialized and private sectors?

Jovanovic: From the standpoint of our positive legislation, that possibility exists exclusively in the case of investment of our own organizations of associated labor abroad or as part of performance of business activities abroad. Under the new legislation this possibility has been narrowed still further, since the investment of Yugoslav capital in joint stock companies abroad has been restricted by the prohibition on establishing a wholly owned enterprise abroad.

From the broader standpoint of judging whether it would be opportune to allow a form of joint stock capital in our legal system ("de lege lata") there have been such proposals in our legal literature. However, adoption of this conception requires departure from the basic conception of the Law on Associated Labor, which is based on the conception of income-sharing relations and the work contribution as the basis for appropriation of the surplus value on the basis of investment of socially owned resources. Investment of socially owned resources on the basis of joint stock capital would introduce a new basis, and that would signify appropriation of the surplus labor or a portion of it on the basis of the capital invested.

#### Partnership as a More Suitable Form

The possibility of using the issuing of stock as a form for investment of resources in a joint economic venture might possibly be taken under consideration in the private sector. Assuming certain notifications are made, it can be assumed that certain craft and trade or similar activities could be performed in the form of a joint stock company. However, the restriction on the size of privately owned craft and trade organizations makes this form rather insignificant for practical reasons. That is why the partnership is probably a more suitable form for pooling the resources of private individuals to engage in joint economic activity.

The use of the joint stock form of investment deserves the most serious attention in our system only in the area of investment of foreign capital in a Yugoslav organization. The form of jointly owned companies, that is, joint stock companies based on foreign and domestic capital, has in comparative law been adopted in most countries (both in the West and in the East). Only Yugoslavia does not accept that form, but insists exclusively on investment in the Yugoslav organization of associated labor. It is difficult for foreigners to understand this specific construction of ours, and it is one of the reasons why there is less interest on the part of foreign capital to invest in our country. While the foreign investor is restricted in making decisions about

the inalienable rights of the workers (that is, the right of the owner of capital in management of the joint enterprise is restricted), coownership of socially owned resources and private capital is possible in this area. Such a precedent, incidentally, exists in our country in the field of housing relations (the tenant of a socially owned housing unit invests some of his own capital in order to solve his own housing problem).

[Question] How about the relationship between management of a joint stock company and self-management?

Jovanovic: The differences and similarities between these two types of management are as follows: both types of management afford those who hold that right (the owners of stock and the self-managers) the right to manage, that is, to make decisions on the most important economic and financial issues of the enterprise or the economic organization which they manage. The actual execution of decisions is in both cases entrusted to skilled specialists, to professional management bodies (in fact they are usually called directors in both cases, and even in a joint stock society they talk about professional management skill), or to appropriate executive bodies which at the same time also prepare the materials on the basis of which the stockholders or self-managers make the decisions. That is why in both cases it is possible for these professional management bodies or executive bodies to have an influence on the decisions of those who hold the right to make decisions (assemblies of stockholders, the workers' council, or direct forms of decisionmaking by the workers).

The essential difference between these two forms of management (by stockholders and self-managers) is that stockholding management is based exclusively on ownership of the means of production (that is, on capital) and also depends on the amount of capital invested. Whoever has more shares, that is, whoever invests more capital, has more rights in decisionmaking (a larger number of votes in the assembly). This, of course, also affords the possibility that a quite small group of large stockholders can manage the joint stock company.

#### Greater Influence Than the Legal Enactments Allow

In our system the self-management of the workers is based on the employment relation and places all managers, that is, all workers, in an equal position in making decisions on the most essential issues (employment relations, income, questions of corporate status, and so on). These most essential issues have been confined to decisions made in the assembly of workers or the referendum. However, the workers' council also has a significant influence as a delegate body which does not involve the participation of all the workers, but whose membership changes every 2 years. The actual influence of these bodies is much greater than envisaged by the legal enactments because they prepare the decisions which are to be made and they make the decisions on "current problems."

The further the decisions are made from the basic organization, the weaker the direct influence of the workers. This is especially evident in the banks and insurance communities, where in accordance with the conception of the Law on

Associated Labor the delegates from basic organizations are to make decisions on the essential issues that arise in the operation of these organizations, in which their past labor has been pooled (insurance premiums and bank capital). One can well imagine, then, that in these organizations decisionmaking is dependent upon the size of the funds invested, which increases the influence of those who have the greatest interest and are bearing the greatest risk in view of the size of the resources pooled. To some extent this comes closer to joint stock capital and when the laws were enacted in these areas, this was rejected as a possible solution, although the law did not explicitly reject this kind of solution (interpretations of these laws by the Commission for Monitoring the Law on Associated Labor go against this solution).

[Question] How about the possibility of joint stock ownership in a socialist system?

Gligorov: The ownership of shares and one form of socialism, the prevailing one to be sure, do cut against one another. A socialist economy organized around government, party, or some other control of economic entities is not consistent with joint stock ownership. What is more, it does not look favorably on any other form of private ownership either. I think that those who favor that kind of socialism are not aware of the fact that this conception has these far-reaching consequences. But the consequences are still more far-reaching. For example, the creators of the system of associated labor in Yugoslavia (under Article 74 of the constitution and the Law on Associated Labor) were aware of them. They tried to abolish credit financing and payment of a price for credit, i.e., interest. This is consistent, although it is pernicious, as in fact is now evident in the present crisis.

#### A Stable Economy Does Not Make a Distinction Between Credit and Shares of Stock

It was not possible to abolish credit. Efficiency would only have suffered. The same is true of stocks. We first need to note that there is no difference whatsoever between shares of stock and credit--viewed from the macroeconomic standpoint. From the standpoint of the entire economy stock ownership and ownership on the basis of credit are one and the same sum of a debt and a claim. The difference lies only in the distribution of the anticipated profit and the liability. Even in the case of anticipated profit, a stable economy makes no distinction between credit and shares of stock. It is just that credit comes closer than shares of stock to being free of responsibility. Even this depends very greatly on the soundness of the banking system. If the banking system is sound, the banks and the government furnish credits, and the risk is lower, and the anticipated profit is also lower. Capital based on shares of stock has other functions, then, it channels risk capital, it moves into new industries, and it opens up new possibilities. The greater the risk, the greater the anticipated profit as well. That is why the income from shares of stock is higher than interest, although this is not always the case.

But when the banking system is unsound, credit financing becomes irresponsible, and obligations are settled on the basis of inflation. This is the case of Yugoslavia. In this case shares of stock have a stabilizing role. Here we

should note the following: it is not true that the formal prohibition against the ownership of shares actually eliminates it. First, because every private ownership is a form of ownership of shares (for example, when one possesses 100 percent of the stock in his own house, his land, his property, etc.). Second, every form of investment in durable goods, i.e., in wealth, is also a form of joint stock ownership. Let us take foreign exchange savings as an example. Anyone who possesses foreign currency possesses not only 100 percent ownership of that wealth, but also a certain percentage of stock in the economy. After all, his wealth is guaranteed by the economy--both in goods and money.

So, if we want a pure socialism, we need to abolish not only shares of stock, but also credit, private ownership, and in fact money itself. Conversely, however, if money exists, so will credit, and there necessarily must be shares of stock as well. If legislation prohibits trade in shares of stock, efficiency will suffer, not private ownership.

The ownership of shares of stock simply means that the economy can take a loan directly from the economy, the banks, and individuals. Nothing more than that. Every other form of credit financing achieves the same thing, it is just that these are differing forms of control. Yet if socialism is closely related to control, if control is the very essence of socialism, then shares of stock will come into conflict with it. There will be an innocent victim: economic efficiency and progress.

[Question] How about the relationship between joint stock ownership and self-management?

Gligorov: Everyone can make use of dialectics and say that joint stock ownership will contribute to the development of self-management. Incidentally, is there anything that has not been associated with self-management and justified by it? The dialectics, however, are a bad adviser. Joint stock ownership specifies liability. The logic here is extremely simple: if you do not want to take a risk, deposit your money in a bank and be satisfied with the interest. Even in the case of shares of stock there is common stock and preferred stock: the first depends on profit, the latter has a guaranteed yield. If your yield is guaranteed, you have thereby delegated the liability to whoever is guaranteeing you that income--and there is no reason whatsoever for you to participate in management.

#### Accountability Both for Behavior and for Business Operation

An example can clarify this in a self-management economy. Let us guarantee earnings and employment to all employees, and then see who will participate to what extent in self-management. It is obvious that self-management will become a formality, since it is demanded as an obligation; and those who have inclinations toward a career in politics or professional management will distinguish themselves. And you will have a result that is altogether in line with the situation in our economy; participation in self-management is a formality except in cases where it is possible to exert an influence on earnings, and the structure of management is oligarchic. The employees simply do not

feel any accountability whatsoever for their own contribution or for the fate of their own enterprise.

Joint stock ownership changes this structure of accountability. Since the income from ownership depends on the business operation of the enterprise (it is not guaranteed, but is a share which depends on the profit earned), the stockholders strive to take part in management. Of course, management and the monitoring of management, managerialism and industrial democracy are not the same things. The owners monitor those who manage the enterprise. Even now you can see that if self-management and professional management are separated, if self-management is viewed as a form of industrial democracy, there is no contradiction whatsoever between joint stock ownership and democracy. A situation needs to be brought about in which those employed in an enterprise have accountability as owners for their own behavior and for the business operation of the enterprise. In this case their monitoring of their directors will not be just a formality, but will be real. It does not hurt anything if those sitting in assemblies of owners include people who do not work in that enterprise, representatives of the economy and individuals or indeed the government, insofar as we are talking about a public enterprise. Since there is a unity of interests, at least in this case, it is not a question of rivalry, but of collaboration. Of course, the worker associations could strive for the employees to hold a majority or sizable share of the ownership in the enterprise, but this is not the fundamental issue, nor does it represent any additional problem whatsoever.

#### There Are and There Are Not Conflicts

So, there is a conflict between the present self-management and joint stock ownership, but not between joint stock ownership and industrial democracy. What is more, if the ownership of stock contributes to economic efficiency, it encourages industrial democracy and an increased role of the workers in decisionmaking.

[Question] Is there real resistance to joint stock ownership, or is it a question of prejudice?

Gligorov: To be brief, there are three types of resistance. The first is ideological: socialism is an economy in which there is no private ownership and there are various forms of noneconomic control. This is essentially a remnant of the Stalinist indoctrination of the communist parties. The second is political: joint stock ownership and a stock exchange, and especially real independent management of the economy, change the power structure and limit the power of governmental authority. An alienated and irresponsible government authority cannot accept that. And the third is economic: the situation today in our economy is as follows: the government and the population possess the money, and the economy the property. Joint stock ownership would require selling property to obtain money. The present structure of power in the economy is not prepared to accept that. Moreover, money is now obtained by connections, but connections would have no role whatsoever on a stock exchange. In the system of joint stock ownership the exchange would determine an enterprise's success and many which are now performing successfully because they

can obtain credit through political or other connections would find themselves in a difficult situation. Sometimes these are large and important enterprises, and that makes the resistance all the greater. So, we will continue to pay for their inefficiency and nonoptimality through inflation and unemployment.

It would be a mistake for anyone to underestimate the power of these three interests, which are joined together. The fact that they are going downhill together has not yet been enough to sober people up.

7045

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## ENERGY EXPERT DISCUSSES NEEDS, NUCLEAR POWER PLANTS

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 18 Jul 86 p 4

[Article by T. Kapetanic: "Dr Hrvoje Pozar Talks About Nuclear Power Plants: Coal Situation Indicates Need for Nuclear Power Plants"]

[Text] Lignite reserves are not inexhaustible. Dynamic economic development implies rapid increase in electric energy generation.

Energy conservation and nuclear power plants are again in the center of attention. In many circles there is insistence on overall analysis of Yugoslav energy potential and needs, and also of conservation and its scope, this being a requirement for basing the need for building nuclear power plants on valid arguments. The federal government is preparing a strategy for development of power engineering. It will be ready for autumn debate in the Yugoslav Assembly.

About a hundred experts have taken part in the discussions concerning construction of four nuclear power plants in Yugoslavia, but they do not include Academician Dr Hrvoje Pozar, a power engineer in Zagreb. He headed a subgroup of the Krajger Commission which developed the strategy for long-term development of Yugoslav power engineering within the framework of the long-term economic stabilization program. The question consequently arises whether the Federal Executive Council is at work on a new strategy for development of power engineering or whether the opinion of the eminent experts who have already completed their complicated task will be followed. In an address delivered recently at the headquarters of the Association of Engineers and Technicians of Croatia, Dr Pozar also spoke of nuclear power plants. He called attention to the need for building nuclear power plants, in the light of the anticipated future increase in electric power consumption and the potential for satisfying this consumption need by building conventional coal-fired hydroelectric and thermoelectric plants.

The minimum alternative anticipates an average consumption increase of 4.8 percent per year over the next 35 years, according to Dr Pozar. According to electric power industry estimates, this increase will be nearly 5 percent (4.99 percent). Yugoslav consumption in 1985 was as high as 6.4 percent. It should be pointed out that the consumption per inhabitant in Yugoslavia is among the lowest in Europe. Consumption lower than that in Yugoslavia is found only in Greece and Portugal.

"Irrational energy consumption has been discussed with increasing frequency of late. I am fundamentally in agreement with the finding that consumption is irrational. My analyses nevertheless show that the consumption of forms of energy other than electricity is much more irrational. Heat is the least rationally consumed, and is also the area of heaviest consumption. Consumers utilize around two-thirds of the total amount of energy in this form.

"According to the minimum estimate, 5,751 billion kilowatt-hours will be needed from 1984 to 2020, and 7,174 billion according to the maximum estimate. To the end of this century, the thermoelectric power plants already built and the Krsko nuclear power plant will generate 767 billion kilowatt-hours, including 610 billion in coal-fired thermoelectric power plants, while hydroelectric plants, including pumped storage hydroelectric plants, will generate 1,740 billion, assuming that all the economically justified water power resources are developed. The entire potential already completed can satisfy 43.5 percent of the requirement if the minimum estimate is adopted, and 35 percent if the maximum is adopted. The remainder must be generated in coal-fired thermoelectric plants and nuclear power plants.

"In the light of the current level of development, in the immediate future only nuclear power plants with thermal (slow) reactors can be considered, along with hydroelectric and conventional thermoelectric plants, and in 10 to 15 years probably fast reactors as well. Can we wait until more reliable and economical energy sources are found? In the next 10 to 15 years, of the promising energy sources only fast reactors, the so-called breeder reactors, will be commercially ready. The specific fuel costs in such reactors will probably be lower than in the current thermal reactors, but the specific investment per unit power will certainly be higher because of the more complicated design. The introduction of breeder reactors into the system will be possible really only after the thermal reactors, in which the plutonium needed for breeding, have been in operation long enough. The period of development of such reactors to commercial readiness is a very long one. Up to the present it has not been possible to perform energy-active nuclear fusion even under laboratory conditions.

"The most recent estimates of coal reserves in Kosovo, not officially confirmed, indicate increased lignite reserves. Generation in thermoelectric plants can be increased by 2.023 billion kilowatt-hours, and the needs of thermoelectric plants built up to 2020 based on the minimum estimate can be satisfied with this amount, but only 86.7 percent of the needs based on the higher estimate. Consequently, the needs cannot be met even with the larger reserves. Regardless of whether smaller or larger reserves of coal are involved, all calculations show that we will have no coal by the year 2020."

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## BRIEFS

**BOSNIAN JOB PROGRAMS**--Another seven new programs will soon begin in Sarajevo to build or reconstruct production capacities financed from the public loan to enable additional employment. This should result in about 1,000 jobs in the capital city of Bosnia-Herzegovina. Programs for the following enterprises have been given a "green light" by the Economic Bank of Sarajevo: "Unioninvest" electric equipment plants, "Bosnafolklor," "Kljuc-Sik," "Jahorinka," and "Iris" (which operates within the "Energoinvest"), "Zora," and "Zica" enterprises. Already in operation are 11 such programs in Sarajevo which should contribute to productive employment. The seven new programs have been assessed as exceptionally justified economically. It has been concluded that not one dinar from the loan should be spent for mistaken investment and...new plants must be justified. Loan funds cannot be permitted to be spent for factories which will be unprofitable or which will produce losses. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 6 Aug 86 p 8] /6662

**BOSNIAN EXPORTS**--Exports from Bosnia-Herzegovina are exceeding the plan this year. As of 12 July \$836.7 million worth of goods had been delivered to foreign partners, or 12.5 percent more than last year. Of this amount \$497.7 million worth of goods was sold to the convertible currency area, or 9.3 percent more than last year at this time. Exports to the clearing account area increased 17.6 percent. Imports were valued at \$839.1 million during this period (\$500.3 million from the convertible area), so trade is almost balanced for the first time, i.e., the deficit amounts to only \$2.4 million. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 1 Aug 86 p 3] /6662

**KOSOVO TRADE DOWN**--OURS [organizations of associated labor] have not been motivated to increase exports which were 29 percent below that in the first half of last year and 41 percent below the plan. Especially worrying is the abrupt fall in exports to the convertible currency area, which declined 47 percent compared to last year and has resulted in a high trade deficit of \$36 million with this area. For the first time in several years, exports to the clearing account area have also fallen, according to Husnija Hot, secretary of the coordinating council for economic relations with foreign countries within the Kosovo Economic Chamber. He said that only \$26 million worth of goods was exported to the convertible currency area in the first half of 1986, leaving 42 percent of imports not covered by exports. Kosovo

is changing and enriching its unfavorable assortment of export products only very slowly. With only 16 permanent export products, the province cannot make a radical turn-around in foreign trade. Kosovo's exports to West Germany and Italy have dropped from year to year, while imports from these countries are growing. Furthermore, 85 percent of its exports are raw materials, producer goods, and semi-manufactured goods. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 1 Aug 86 p 3] /6662

KOSOVO WORKERS ABROAD--In the 1981-1985 period, 10,730 workers from Kosovo were employed abroad through the SIZ [self-management interest community] for employment. But in the same period 11,112 workers returned from abroad, about 4,000 of whom got jobs, while 7,293 returnees are still waiting for employment. At the end of 1985 31,556 workers from Kosovo were working abroad, mostly in West Germany, Switzerland, France, and Libya. In addition to this, every year 4,000 to 5,000 workers from Kosovo are employed in seasonal agricultural and construction work in Switzerland. [Excerpt] [Pristina JEDINSTVO in Serbo-Croatian 24 Jul 86 p 6] /6662

STRIKES IN SERBIA--In the last 7 months there have been 105 work stoppages in Serbia proper in which a total of 10,010 workers participated. Belgrade led with 29 work stoppages. This year there were 23 percent more strikes in Serbia than during the first 7 months of last year, and 24 percent more in the city of Belgrade. Other areas with the highest number of work stoppages were the area of Nis (20), of Kraljevo (14), the Sumadija and Morava river valley area (12), and the Drina river basin and Kolubara area (5). On average, there are 15 stoppages a month, lasting over 6 hours, in which 96 workers participate. [Excerpt] [Belgrade RAD in Serbo-Croatian 8 Aug 86 p 5] /6662

STRIKES IN CROATIA, SLOVENIA--In the first 6 months of this year there have been 79 work stoppages in Croatia, in which 8,137 workers participated. Most strikes took place in the first 3 months of this year (51), but the record number (20) took place in July. In the first half of last year 75 stoppages were recorded in which 5,211 workers participated. In the first 5 months of this year there were 169 work stoppages in Slovenia, somewhat more than last year at that time. [Excerpt] [Belgrade RAD in Serbo-Croatian 8 Aug 86 p 4] /6662

FREIGHT TRANSPORT--Between January and May of this year a total of about 103 million tons of goods were transported, or an achievement of about 68.5 billion net-ton-kilometers. Freight transportation increased 9 percent over the same 1985 period. In this, truck transportation increased 8 percent, river transport more than doubled, maritime transport increased 13 percent, and air transport rose 44 percent; at the same time rail transport stagnated. [Excerpt] [Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 28 Jul 86 p 30] /6662

CSO: 2800/343

## JUSTICE MINISTER EXPLAINS REASONS, LIMITS OF PRESS [MEDIA] LAW

Budapest MAGYAR JOG in Hungarian May 86 pp 385-393

[Article by Imre Markoja, Minister of Justice "About the Press [Media] Law."  
Text of the speech given at the 20 March session of the National Assembly.

[Text] The fundamental rights and duties of citizens are described in the constitution of the Hungarian People's Republic. The high caliber legislative proposal before you summarizes the basic principles and the most important legal guarantees of the right to free speech and the freedom of the press. These are some of our most important constitutional rights--the basic political rights of our citizens. If enacted into law, this would be the first socialist Hungarian press law. It would represent a step forward in the detailed codification of all of our constitutional rights. It would also encourage the practical and consistent enforcement of the applicable constitutional mandates.

As a matter of introduction, a brief historical review of the subject may be appropriate.

As we all know, the bourgeois revolutions were first to identify freedom of the press as one of the civil rights. The French Revolution of 1789 was first to do so in Europe. The struggle for a free press in Hungary gained strength in the late 18th and early 19th centuries. The Hungarian Jacobin's were the path-finders in this respect. Later, in the age of reform, freedom of the press became an important criterion in the new struggle for national independence and for bourgeois reform.

Chapter 18 of the Laws of 1848--the first Hungarian press law--has been viewed as an outstanding achievement of the bourgeois revolution. Section 1 of that law defines freedom of the press as follows: "Everyone is entitled to freely express and to freely propagate his ideas through the press." The law heralded the freedom of the serious and honorable press; it did not convey impunity for the writing and publication of everything.

Meant to be an interim measure only, this law was short-lived because of the revolution that followed. Following the Compromise [of 1867], however, the law was given force once again.

Ideas advocating a general reform of the press law emerged toward the end of the 19th century. Their realization, however, took almost two decades.

Chapter 14 of the Laws of 1914--the new press law--introduced a number of innovations, some of which restricted the freedom of the press. Even though these restrictions did not render the law as some kind of liberal piece of legislation, the law foreshadowed several institutional changes. The assurance of the right to correct erroneous information, new provisions protecting journalists, and tort provisions, which included possible compensation for non-material damages, all indicate that classic bourgeois concepts were not alien to the framers of that piece of legislation. The law went into effect just about three months before the outbreak of World War I, some time in April, 1914. During the war the freedom of the press was sharply curtailed by virtue of the exercise of some extraordinary war powers.

The press laws of the Hungarian Soviet Republic represent an important milestone to the applicable legislative history. The immediate historic precedent for today's socialist Hungarian press can be found in that age. The Hungarian Soviet Republic was first to recognize the freedom of a working class press. Consistent with this idea, the June 28, 1919 constitution of the Soviet Republic declared, and I quote: "in the Soviet Republic workers may express their opinions freely, both verbally and in writing." The constitution also established the fact that the press was no longer dependent on capital, and announced the workers' right to publish any printed matter. Several provisions of the 1914 press law were suspended or modified during the "counter-revolutionary" era between the two world wars. Consistent with the character of the then ruling system, contemporary press laws gradually limited, and later fully liquidated even the semblance of a free press.

During the post-liberation years, legal provisions governing the press served the needs of the ensuing democratic, and later socialistic transformation. The constitution of 1949 also established the principle of a socialist freedom of the press. This constitutional provision served as the basis of some low level regulation in 1959. In turn, these regulations serve as the foundation of the legal standards that prevail today.

This brief, historical review appropriately illustrates the perennial, close relationship between given social and economic conditions, politics and public life on the one hand, and the press and public information on the other.

These relationships undeniably exist under socialistic circumstances also. Our press proclaims ideals that are appropriate to our social organization, and endeavours the practical realization of those ideals. In the process, the press plays a particularly significant role in fulfilling the ideals of a socialist democracy. The conditions of this fulfillment are established in part through the conveyance of knowledge.

Knowledge, to be sure, is a fundamental, democratic prerequisite to our society. Knowledge needed for active participation in constructive work, for the exercise of power and for the administration of public affairs

requires information dissemination among broad strata of the population. In addition to party, state and social organizations, both the print and the electronic mass-media assume increasing roles in this effort. It is the function of the press to select from all the available information items that are of interest to society, and are useful to citizens. In this age of information explosion this appears as a very important function. And since knowledge transfer must be limited to substantive information, appropriate results may be expected only if the conveyance of information is reliable, timely and relevant. These requirements further increase the responsibility of the press, as well as of sources that supply information to the press.

Additionally, it is a fundamental requisite of a socialist democracy to ensure the possibility of free expression to every decent, well-intended citizen on subjects concerning our policies and political practice. Active citizen participation in policy formulation takes place through the exercise of free expression, in addition to conscious efforts to implement policies. In this respect, too, the mass media play an unusually significant role, beyond the possibilities provided by the party, and by state and social organizations.

At this point, I would like to revert to the necessary political commitment of the socialist press in general, and our press in particular. The press must openly accept this commitment at all times. Acceptance of this commitment means that foremost of all, the press must be committed to spread the ideals of socialism, to develop socialist conditions and to solidify socialist values. Under no circumstances may the press become a mouthpiece for views and ideals that are alien to socialism, or ones that violate the constitutional order of the Hungarian People's Republic. Accordingly, our meaning of the term "freedom of the press" translates into the utilization of constitutional and legal possibilities that suit our progressive societal goals, and serve our progressive endeavours in the interest of the people and of the building of a socialist society.

In order to avoid any misunderstanding, we must emphasize that our understanding of the service of socialist ideals and policies is not limited to praise, and to the recognition and realistic assessment of our achievements. Bravely and openly, but at the same time responsibly and with circumspection, the press may publicize all those problems and shortcomings that emerge in the various fields of life, and the resolution or cessation of which could advance the development of our society. After all, it is through this exercise that the press lives up to its constitutional mandate and becomes the living conscience of our society.

This is the conceptual framework we observed in drafting this piece of legislation. We felt that by successfully molding these objectives into legal standards, the press would be able to enhance the progress of our socialist Hungarian society in a heretofore unprecedented, beneficial manner.

The drafting of this bill took many years and required thorough attention and circumspection. Representatives of state and social organizations

concerned with the press and with information dissemination have participated in our work. Coordination of work has been accomplished with the help of a codification committee within the Ministry of Justice, and with the participation of the Office of Public Information. The resultant work product then became the subject of social debate within the concerned professions. The most important organs concerned with public information, as well as representatives of the mass-media have participated in these debates. The assistance rendered by the National Association of Hungarian Journalists deserves special mention. Noteworthy, often critical observations and suggestions have been made during the debates. I feel that we have done everything possible to recognize all useable opinions. As could be expected, observations and suggestions often contradicted each other, [and/or] urged changes that ran counter to the planned regulation. In such cases the framers accepted the majority opinion.

The debates revealed that all concerned interests agreed upon the need for a uniform, comprehensive press law, and upon the conceptual and practical objectives to be observed. The proposal contains certain explicit, enforceable standard rules as a result, not just objectives, policy guidelines and supportive justifications. Accordingly, the proposal provides not merely a generic, conceptual law whose practical value remains to be seen in the future. It explicitly defines rights and duties, and provides rules that can have direct and immediate effects. Needless to say, the proposal contains only the basic rules. Details are contained in the implementing regulations and in rules promulgated in other fields of law.

One final remark with respect to our preparatory work. In addition to relying on our domestic history, we also endeavoured to rely upon the international experience. Foremost of all, we observed the agreements that have been reached within the United Nations Organization concerning civil and political rights. I am confident that this proposal fully satisfies the requirements established by the UNO.

The instructions contained in this proposal realistically achieve the objectives of our preparatory work. Realization of the basic principles established during the preparatory period are also reflected in individual implementing provisions. Rules pertaining to the effectiveness of the press law, to the duties of the press, and to obligations relative to public information are contained in the introductory section.

The duties of the press are defined in the context of our citizens' right to be informed. As mentioned before, it is the duty of the press to inform the public on a realistic and timely basis. It is a fundamental duty of the press to provide authentic information concerning the political, economic, scientific and cultural events of the Hungarian People's Republic, as well as about international events. The enhancement of knowledge about other countries and their peoples, the promotion of mutual understanding and the preservation of peace are also among the duties of the press. The press must not limit itself to the simple conveyance of factual knowledge. Its duties include research and analytical work designed to enhance the understanding of international political, and domestic social processes and



relationships. This kind of understanding mobilizes our citizens for action. The press also has a duty to decisively object to phenomena that hinder the development of our socialist society, disturb its peace, or violate the precepts of socialist legality and morality.

In fulfilling these obligations, however, the press must avoid violating its mandate. The most obvious examples of such violations are couched in terms of categorical prohibitions within this proposal. Accordingly, the information conveyed by the press must not violate the constitutional order, or the international interests of the Hungarian People's Republic, nor should it run counter to contemporary perceptions of human rights and public morality, and the rights and legitimate interests of citizens and of legal entities. The proposal singularly prohibits justifications of crimes against humanity, expressions of hatred against other nations, chauvinism, war mongering, and unfavorable discrimination on grounds of race, religion, gender or national origin, even if such presentations are disguised as legitimate information. As a matter of decency and objectivity, the proposal requires that advertisements be labeled as such, and be presented separate from other information.

It is apparent, however, that the press can live up to its legal mandate only to the extent that it has access to information necessary to fulfill its mandate. Access to information by the press is assured by rules that pertain to the release of information by governmental, economic, and social entities. The only exceptions in this respect pertain to information that would violate state, industrial or personal secrets. State, service, industrial and personal secrets are defined in the Criminal and the Civil Codes of Law. Accordingly, information classified as secret is the only kind of information that may be refused. Undue refusal to provide information is subject to judicial review and disciplinary action. These provisions make the withholding of public information impossible for those whose duty it is to provide that information. In the absence of these provisions, withholding of public information could occur through the arbitrary invocation of the public interest, while in reality such action would merely attempt to conceal criminal conduct by excluding scrutiny and control.

The proposal prescribes that the person charged with the duty of providing public information must provide true information. The proposal thus ensures the authenticity of information. It provides sanctions against persons who disseminate misleading or false information. Depending on the nature and degree of violation, provisions of the Criminal, Civil, or Labor Codes of Law may be invoked.

Quite naturally, the opposite situation may also occur when the person charged with the duty to provide public information requires legal defense. For example: public information may pertain to negligence or to activities that are not in the public interest. The person releasing such information may suffer setbacks. Persons charged with the duty to provide public information enjoy the increased protection accorded to those who report matters that are contrary to the public interest, or who recommend corrective action to remedy such matters.

Public interest statements by the press may unfavorably implicate one or another organization. Whether such organizations have a duty to act and a duty to publicly respond has been the subject of serious debate during the preparatory period. Some felt that prevailing regulations that establish a duty to publicly respond did not achieve the desired results. All too often the responses were formal statements, creating an administrative burden for the press. The societal utility of the existing legal requirements thus became of questionable value. In contrast, we became convinced that the democratic nature of our public life demands the public interest statements by the press deserve answers on their merits. For this reason the law provides that the organizations implicated by the press have a duty to investigate the allegations and must respond, if such investigation and response is deemed necessary by the press. Needless to say, important interests of society demand that if indeed a response was necessary, the response be afforded an equal degree of publicity as has been given to the allegation. For this reason, a request to the press not to publicize an implicated organization's response is inappropriate. Responses must be publicized without substantive change. The entire text of the response need not be publicized, but excerpts must reflect the substance of the response, without change.

Distinguished National Assembly, I have spoken already about the increased role and the increased responsibilities of the press. Increased demands on the press made it necessary to provide by law for the rights and duties of the press, both as an organization, and as individual members. It is in this context that the proposal provides conditions for the establishment and publication of periodicals, the most important rules for the functioning of the Hungarian Radio, the Hungarian Television, and of the Hungarian News Agency, and for the rights and duties of journalists.

Characteristic of the socialist press is the fact that insofar as content is concerned, periodicals respond to the needs of small or large segments of society. They provide an expression of the particular interests of these segments of society. It is this kind of alignment that determined the profile, editorial policy and tone of a given publication. Accordingly, each periodical has its own readership, whose taste and needs formulate the paper's unique profile. Periodicals must respond to defined strata of society. They must do so by observing high standards, responsive to the needs of the readership. In order to institutionally ensure this outcome, the proposal provides authority for the establishment of periodicals by institutions of society, in other words, by state, social and economic entities.

The founder of a periodical would become the "owner" of the periodical. "Ownership" conveys political, moral and financial responsibilities with respect to the establishment. At the same time, the founder of the periodical is entitled to certain rights, such as the right to define the purpose, character and direction of the periodical, and the right to appoint the editor in chief.

My dear representative comrades, having dealt with periodicals, the proposal also deals with three other institutions of mass information, namely the Hungarian Radio, the Hungarian Television, and the Hungarian News Agency. I would like to emphasize that in the interest of the future development of these institutions, of the proliferation of the electronic press, and of its ability to satisfy needs in better and more diverse ways, the proposal contains regulations that are more flexible than the ones we had before. The cardinal rule remains unchanged: radio and television programs may be produced by the Hungarian Radio and the Hungarian Television. There will be no need for special permits authorizing national or regional programs to be broadcast by these institutions. Henceforth, however, under rules identical to those governing periodicals, organizations other than the Hungarian Radio and the Hungarian Television may establish studios for purposes of local programming.

The proposal also satisfies the long-standing desire of journalists to define their rights and duties. Taken as a whole, these rights and duties describe the unique place that journalists occupy in our society. The corresponding regulations cover the acquisition and utilization of information, issues concerned with the relationship between the journalist and the person who provides information, and the rules of individuality and independence accorded to journalists. In formulating these rules we endeavoured to harmonize the journalists' rights and duties. The proposal therefore provides that a journalist is authorized to obtain information from any person. In utilizing the information, however, appropriate circumspection and verification must be exercised, with due consideration of all relevant aspects. Unless the information pertains to a criminal act, a journalist is authorized to withhold the name of the informer. Of equal importance is the provision that requires journalists to present their statement, prior to publication, to the person who has provided the information. A person providing public information to a journalist may decide to withdraw the information. A request for withdrawal must be honored by the journalist only if in the process the journalist has changed the substance of the information that was conveyed to him. Unfounded objections to the release of public information must not be honored by a journalist and continue the journalist's duty to make public the information.

The informational activities of the press are, to their fullest extent, in the public interest. For this reason the protection of journalists emerged as an issue deserving of attention. Pursuant to provisions contained in this proposal, journalists enjoy the same level of protection as those who report matters that are contrary to the public interest. Beyond this protection, the implementing provisions establish a new kind of violation. Any person, who in the future interferes with the work of a journalist by virtue of force or threat, stands in violation of the rules. Penalties for such violations are expressed in money amounts.

In this same context we must emphasize that journalists too are responsible for their own negligent, irresponsible or criminal conduct. Penalties for such acts are sanctioned by the Criminal, Civil and Labor Codes of Law.

Regulatory matters are dealt with in a separate section of the proposal. Before going into details, however, you must realize that from a practical viewpoint, the regulation of the press has attracted the greatest interest. It was this subject that stood in the forefront during the preparatory period, and again, it was this subject that generated most of the debate. This is not coincidence, of course. Realization of the constitutional principle of a free press, and the viability of the subsequent legal provisions depends on the regulatory provisions in general, and on the licensing provision in particular. The question we are facing is this: will the fundamental principle of a free press, as that principle is expressed in these high level legal provisions, become a ceremonious but hollow declaration, and thus reverse itself in practice, or will it become the reality of our every day lives? I can state with certainty that the applicable provisions of the proposal encourage the latter.

Provisions pertaining to the licensing system proved to be most controversial. Having discounted extreme views during the debate, the framers of this proposal were able to sustain the fundamental principle, according to which the production and the public release of publications is subject to licensing. The proposal would empower licensing authorities in a manner essentially identical to the regulatory powers in force today. At the same time, however, the category of publications exempt from licensing has been broadened and better defined. The licensing plan is based upon the responsibility assumed by the management of various publishers, and upon the licence that enables publishers to function. This approach, in turn, makes it unnecessary to issue individual licenses authorizing the production and publication of individual editions, issues and other publications. One could say that the licensing provisions generally focus on the operations of publishers, rather than on individual publications. Accordingly, the term "licensing" must not be construed as the state's advance control over the content of publications, but rather as the state's expression of an opinion as to whether the legal conditions for production and publication have been met. The licensing system thus promotes, rather than hinders the free functioning of the press.

Upon examining the denial and revocation aspects of the licensing provisions we have reached the same conclusion. I should note that the mere fact that these provisions found their way into law, in and of itself represents a significant step toward the fulfillment of the freedom of the press. As part of the law, the licensing provisions exclude the possibility of the exercise of subjective judgment. The licensing provisions are based on standard conditions, by which licenses may be denied or revoked only if such denial or revocation is authorized by law. Just how broadly the possible prohibitions are expressed within the legal provisions is, of course, important from the viewpoint of the freedom of the press. Well, the directives contained in our proposal permit the denial of a licence only in cases where the issuance of a licence would be in conflict with the conceptual and specific directives of the law, or if the personal and material conditions for production and publication were not met, or if a criminal act or a violation of the rules would be realized through publication.

The proposal provides for judicial review of denials by the licensing authority. Judicial review by independent courts of law with respect to certain matters assures the protection of the freedom of the press and the prevalence of individual rights. The prosecutor's prohibition or suspension of a publication is also subject to judicial review. The application of judicial review in conjunction with the contemporary regulation of the press provides a well known, internationally recognized solution.

I trust that with the help of this outline I was able to convince you that the present proposal provides the foundation for a truly democratic regulatory mechanism, one that substantially enhances the fulfillment of the rights of our citizens.

In closing, I must speak to yet another issue. It pertains to the responsibilities of the managers of the various media. This issue has gained significance precisely because by virtue of this proposal and press gains more flexibility and more freedom to act. Consistent with present-day regulations, the proposal assigns the duty of sustaining the principles of our press policy, and responsibility for the activities of a given publisher to the top manager of that publication. All this has nothing to do with the responsibilities of subordinate units, (i.e. editors in chief, program editors), or for that matter, with journalists. Managers of subordinate units are individually accountable for the programs they produce, while the responsibility of journalists takes shape as described before.

Pursuant to a resolution of the 13th Congress of the Hungarian Socialist Workers Party, the press as well as [other media providing] mass information are being charged with an enormous and responsible task. This task consists of reporting on the policies of the party and of the government, of the fast dissemination of authentic and timely information, of shaping public opinion, and of the formulation of public conduct and social action.

In presenting this proposal to you, I am authorized to speak for the cabinet in stating that the regulatory scheme I have just presented is being actively supported by political organs, state and economic entities, as well as by our entire society. It is suitable for the development of the work of the press. It provides the framework for the implementation of the mission that has been assigned to the press by our socialist society.

I request that the National Assembly accept and enact this proposal.

12995/12948  
CSO: 2500/317

## GOVERNMENT OFFICIAL VIEWS LABOR BRIGADES, LAWYERS

Warsaw PRAWO I ZYCIE in Polish No 30, 26 Jul 86 p 3

[Interview with Professor Sylwester Zawadzki, chairman, Commission of Inspection Bodies and Civil and Vocational Affairs, Council of State, by Ryszard Czerniawski: "Effectiveness and Democracy" under the rubric "Following the 10th PZPR Congress"]

[Text] [Question] There exists a fairly widespread opinion that effectiveness and democracy cannot be reconciled. A choice must be made as to which is to come first -- effectiveness of action or democracy. What did the 10th Congress choose?

[Answer] Mr Editor, I've long been advocating the development of democracy as an objective necessity conditioned by the needs of economic, political, scientific-technical, etc., development. But there also exists another, bureaucratic-technocratic tendency which opposes effectiveness to democracy. Now the Congress was clearly oriented toward meshing democracy with effectiveness and thus continuing the line of the Ninth Congress. The bureaucratic-technocratic tendency was not strong enough at the Congress itself to oppose the trend toward strengthening the economic reform and expanding self-government and, more broadly, socialist democracy. This seems to me a highly important feature of this Congress. No attempts even were made to resurrect the command-economy orientation that had so markedly dominated the Eighth Congress. Consider for example the address delivered by Alfred Miodowicz who pointed to the bureaucratic causes of the stagnation of the economic reform. No one had denied it. The representatives of that orientation simply had too few arguments to offer. And yet a sizable percentage of the cadre does not grasp the relationship between effectiveness and democracy. I wish to emphasize that they intermesh rather than being mutually exclusive.

[Question] Insofar as I know, you're an ardent proponent of the brigade system as a solution that reconciles effectiveness with democracy at that basic production level, on the microscale.

[Answer] The development of the labor brigade system, which should not be identified with the four-brigade (workshift) system of the 1970's, is, in my opinion, a major step forward in streamlining the production process. What is more, this is a step linked to the creation of material and moral incentives for a higher labor productivity. The conclusion of a task agreement between a

brigade and the plant management affords the possibility of reconciling the interests of the worker and the labor brigade with the interests of the plant as well as with public interest.

This provides an improved system of incentives, as evidenced by the experience of the Soviet Union and other socialist countries, as well as by experiments under way in, among others, Scandinavian countries.

In our country experiments of this kind have been conducted at 60 work establishments. As demonstrated by studies carried out last year by the Institute of Labor and Social Services, the brigade system produced signally better results than did the workforces operating under traditional principles. Labor productivity and earnings increased, while absenteeism and fluctuations decreased.

I had the opportunity to familiarize myself more closely with similarly positive results of the introduction of the brigade system at the K. Swierczewski Works in Warsaw. Already within the first 6 months quantitative output had increased, while at the same time its quality improved. Interest in labor productivity also grew, and the rise in emoluments did not outpace the rise in productivity. It would be a mistake, however, to reduce exclusively to material incentives the favorable results assured by the brigade system. The nature of the changes relating to this system is far more extensive and appears to entail several directions. Namely, at state-owned enterprises, despite the fundamental changes of an institutional nature, the labor relationship of workers still bears many features of hired labor. The worker still does not feel himself fully to be the co-proprietor of the workplace. As for the current forms of the participation of workforces in enterprise management, they apply at the plant level and are implemented chiefly indirectly (in the form of worker councils). Such forms are too intangible so far as the rank-and-file worker is concerned, and they do not adequately spur his activism and his commitment to implementing the principles of the economic reform. By contrast, enabling the worker -- through the brigade system -- to co-decide on the organization and division of labor in such a way as to implement the task covered by the brigade-plant agreement most rapidly and optimally, as well as to co-decide on the distribution of the remuneration due for implementing that task, serves to include the employee in the process of production management in a way that is most tangible to him.

Generally speaking, the labor brigade system can contribute not only to an increase in labor productivity but also to the broadening of socialist labor relations at the enterprise.

[Question] This sounds like an economic panacea.

[Answer] This hardly is the cure-all for the difficulties of our economy. After all, the brigade system will not result in restructuring the economy, and neither will it prevent the decapitalization of enterprises.

It should also be realized that there exist major obstacles to the application of that system. I mean here chiefly the problems with material supplies. Moreover, in many domains the determination of a proper system for norming

labor is difficult. But there also exist subsectors of the economy in which the introduction of task agreements is particularly suitable in view of clearly demarcated stages of production. This concerns chiefly housing construction.

In this field automatic success cannot be counted on. Many workers fear that the introduction of this system would soon afterward result in raising work quotas. In their turn, some enterprise managers are apprehensive about major difficulties ensuing from the need to improve the organization of labor and material supplies. But measures cannot be postponed for these reasons. Nothing will happen in this field overnight. Hence also the discussion of this subject at the 10th Congress was so important, as reflected both in the report of the PZPR Central Committee and in the concluding address delivered by First Secretary of the PZPR Central Committee Wojciech Jaruzelski.

[Question] Since we are discussing the Congress, don't you think that parochialism was overrepresented in its deliberations? Miners would speak of mining, farmers of agriculture, and delegates from particular provinces of their provinces. Of course, that was logical, since, being on the spot, they were the experts and among the individuals most affected by the issues they raised, but after all that was a national congress.

[Answer] But can it be avoided at all? Were the delegates supposed to discuss only national issues rather than matters relating to specific occupations, subsectors of the economy, or regions? After all, no one can say that national issues were not discussed. An overwhelming majority of the topics discussed concerned tasks for the central leadership. And the fundamental task was to abandon words in favor of deeds. This issue was in the forefront of the Congress discussions. The next most important topic was the exploration of more effective solutions (the brigade system), because the methods followed so far result in prolonging the time needed before the economy can stand on its own feet. But to me the most important thing was that both the positive and the negative aspects of the present situation were appreciated. At the Congress there were no raptures about past accomplishments; this was no "dress facade." This was an authentic congress of an authentic party.

[Question] Professor, sir, we've been talking about effectiveness and democracy. But what about law and lawyers? Where do they come in?

[Answer] This means chiefly adapting law revisions to the pro-effectiveness trend. This concerns law and scientific-technical progress, law and labor productivity. In a nutshell, the most that remains to be done is in economic law and labor law. But at the same time, legal norms cannot supersede economic solutions. Yet faith in the omnipotence of law unfortunately still persists on a large scale. A classical example is an ordinance issued by the transport minister prohibiting automotive conveyance of freight over distances of more than 50 km without special permission. It is precisely lawyers who should oppose such excessive faith in the effectiveness of law. Continued elimination of superfluous legal norms is needed.

Recently I happened to read the book by Aleksander Kapustka, "Dylematy inwestycyjne" [Investment Dilemmas], published by the Zielona Gora Branch of



the Scientific Society for Organization and Management, in a limited edition besides. Consider the text of the following "legal act" it contains: "As of 15 August 1984 the interpretation of the Resolution No 14, 1984, of the Council of Ministers, contained in the official notation recorded on 4 May 1984 at the Investments and Construction Task Force of the Planning Commission under the Council of Ministers, ceases to be effective." The most curious thing about this is that it is an interpretation of a law rather than the law itself that ceases to be effective. It seems that we often view our law through the prism of issues of DZIENNIK USTAW and MONITOR. Yet, the base of this legal pyramid is represented, unfortunately, by writings, instructions, and official notations of this kind.

The report on the status of law points precisely to the need to improve the quality of law. This can be accomplished only by reducing the flood of ministerial regulations and eliminating the inconsistencies and contradictions among the provisions in force. This is a prerequisite for curtailing the marked frequency of revisions of binding provisions and making law more stable and hence also more effective.

In that report we also raised the issue of commencing preparations for writing a new Constitution, as based on extensive research in comparative law. This was discussed at the 10th Congress. The Constitution of the Polish People's Republic voted in 1953 is at present the oldest -- other than the fundamentally altered 1949 Constitution of the Hungarian People's Republic -- of the constitutions binding in the socialist countries. It had been drafted in a different situation, at a time when the prevailing view was that a constitution is primarily a political act rather than the supreme law of the land. That approach resulted in an excessive generality and ambiguity of its provisions, as well as in legal loopholes.

The process of renewal has been broadly reflected in ordinary legislation but as yet only narrowly reflected in the Constitution. Thus, the development of political life and of ordinary legislation has caused the nature of many of the Constitution's provisions to become outdated. Unless the Constitution is amended to allow for the legislative accomplishments of the 1980's, as well as for the important and lasting rules of political practice evolved during this period, continued legislative activity will be increasingly imperiled by the forfeit of a cohesive guiding idea shaped by supreme institutional principles which should be defined in the Constitution.

The need to draft a new Constitution is not precluded but is rather additionally justified by the formation of the Constitutional Tribunal. Its verdicts will undoubtedly influence markedly a more detailed revision of many general provisions of the Constitution. But the verdicts of the Constitutional Tribunal can exert only a limited influence on optimizing the legal function of the currently binding Constitution, if the legal nature of that organ is not to be transcended.

[Interviewer] Thank you for the conversation.

1386

CSO: 2600/617

## EXPLOITS OF CEAUSESCU IN TEENAGE YEARS

Bucharest VIATA ROMANEASCA in Romanian Nos 3-4, 1986 pp 3-7

[Article by Ion Ardeleanu: "A Page of Heroism: 50 Years Since the Trial of the Communist and Antifascist Fighters in Brasov"]

[Text] Many deeds and events that, judged in the perspective of the times, constitute lofty examples of heroism, sacrifice, and abnegation for the cause of the Romanian people are inscribed in the glorious history of the struggle for social justice. Many such examples mark the history of the struggle of the working class in our country, which, from its affirmation in the arena of political life, had to face the policy of intimidation and the persecution promoted by the exploiting and ruling classes. The trials instituted in the 19th century against the striking workers of the Gara de Nord yards and the trial of the Nadejde brothers and of prominent militants of the Social Democratic Workers Party of Romania, created in 1893, are well known. The repression, the interdiction, and the abusive measures of the authorities against the working class increased after the creation of the Romanian Communist Party in 1921 and became especially intense and harsh after the outlawing of the Communist Party in 1924. The persecution, the terror, the arrests, and the antilabor trials to suppress the communist, democratic, and progressive movement assumed forms unsuspected in the past.

Under the conditions of the ascension and establishment of the totalitarian regimes in a number of countries in Europe and of Hitlerism in Germany, and when the actions of the extreme rightwing groups in Romania to gain power became more and more tumultuous, the repression against the Communist Party's democratic, antifascist movement assumed more and more severe forms. The ban on meetings, the arrests, the trials, and the sentences of hundreds of years of jail for thousands of militants in the communist movement's struggle for justice and democracy are characteristic of the 4th decade in the country's public life.

The Brasov trial, which took place 50 years ago, stands out in the series of anticommunist trials in 1935-1936. The trial of the Communist and antifascist fighters heard in Brasov on 27 May-5 June 1936--a trial in which Comrade Nicolae Ceausescu, a fervent patriot and revolutionary who has devoted his life, from the earliest years, to the struggle for the Romanian people's

freedom, dignity, and happiness, was involved as a result of his revolutionary activity--attracted the attention of public opinion in the country and abroad.

During the fierce class battles in the years 1932-1933 of the antifascist actions, the personality of revolutionary militant Nicolae Ceausescu asserted itself. In 1933, he was taken into the National Antifascist Committee's leadership and participated with revolutionary abnegation in demonstrations, meetings, and actions meant to improve the situation of the oppressed and exploited and to bar fascism's way in Romania. In this period, he performed a fruitful activity among the youth for the antifascist movement, within which there were workers, people of science and culture, journalists, writers, and university teaching personnel.

Comrade Nicolae Ceausescu's entry into the tumult of the revolutionary struggles took place in this era of strong social and political upheavals with a special charge of tension, a context that put its imprint on the formation of his personality as a political militant and consistent revolutionary. Recalling the beginnings of his activity in the communist and working-class movement, Comrade Nicolae Ceausescu says: "As a peasant's son, I was aware of the oppression by the landowners and then, starting at the age of 11, capitalist exploitation. As early as 1930, at the age of 12, I actively participated from then in the life and struggle of the revolutionary trade-union youth. They were years of economic crisis,...the revolutionary movement had a strong upsurge. The Communist Party, the Union of Communist Youth, and other revolutionary and democratic organizations rose up resolutely in struggle for the defense of the interests of the masses of working people, against reaction and fascism, for democracy and peace. These circumstances in which I joined the trade-union revolutionary movement and then, in 1933, the Union of Communist Youth--a date that also marks the position of party member--put a strong imprint on my revolutionary and political life and activity."

The Communist Party entrusted to him responsible actions in the antifascist movement of the youth and in the leadership of the youth organizations in Oltenia and Prahova. From the very beginning of his revolutionary activity, he was watched by the repressive bodies, and on 23 November 1933, he was arrested, being reported to the Prosecuting Magistracy of the Ilfov Tribunal on the charge of "incitement to strike" and distribution of leaflets.

In the summer of 1934, being in Craiova together with other young workers to testify in defense of the leaders of the struggles of the workers in January-February 1933, Comrade Nicolae Ceausescu was again arrested. Although he was released, the following note was sent to the Prefecture of Police in Bucharest by the repressive bodies in Dolj County: "We notify you, with a view to taking the due measures, about Communist Nicolae Ceausescu..., who, being guilty of gathering adherences of solidarity of the workers with the convicted railroadmen, was reported to the Prosecuting Magistracy of the Craiova Tribunal."

Comrade Nicolae Ceausescu performed a remarkable activity as secretary of the Prahova Regional Committee of the Union of Communist Youth. The many meetings organized by the young militant in a number of localities in Prahova and Dimbovita Counties, which were in the territorial range of the Prahova

Regional Committee, had as an objective, along with setting up new cells of the Union of Communist Youth, the intensification of the revolutionary activity of the youth in this important working-class zone and the organization of the branches of the Bloc for the Defense of Democratic Liberties, one of the chief legal mass organizations in this period, through which the Communist Party militated to rally on the platform of the antifascist struggle all the democratic, patriotic, antifascist forces.

Being in charge of important organizational activities and participating tirelessly in the extensive political, cultural, and educational work performed by the Communist Party among the youth, the revolutionary militant gained high prestige among the youth, but at the same time, he incurred continual surveillance and tailing by the repressive bodies.

On the evening of 15 January 1936, he was arrested in Ulmi Commune, Dimbovita County, where he was present to organize political actions of the revolutionary youth organizations. As a result of the searches conducted by policemen in Moreni, Gura Ocnitei, and other oil localities in Dimbovita County, other young Communist workers and antifascist militants were also arrested.

The arraignment order said: "Nicolae Ceausescu, 18 years of age, residing in Bucharest, Vasile Lascar Street, is an active member, an agitator and skillful propagandist, a Communist and antifascist, long known as such by the authorities of security and justice."

Held in jail in Brasov until the end of May, he suffered for almost 5 months the rigors of an interrogation in which the methods went from blackmail and cursing to maltreatment.

The actions taken by the Romanian Communist Party to turn the Brasov trial into an active means of struggle, a means of unmasking the fascist peril and affirming the necessity of uniting all the patriotic, antifascist forces into a coalition to safeguard the freedom and independence of the Romanian people, were admirably served by the courageous, intransigent, and principled attitude that the revolutionary militants had throughout the trial.

The trial gave expression to the Romanian people's antifascist frame of mind through the large number of revolutionary militants appearing in the dock and, in particular, as a result of the great fighting spirit imparted by Comrade Nicolae Ceausescu, who distinguished himself by courage, political farsightedness, and high revolutionary patriotism.

The 150 "counts" formulated in the complaint referred to: the organization of UTC [Union of Communist Youth] cells and local branches of the Democratic Bloc in various localities in Prahova and Dimbovita Counties, the organization of clandestine meetings, displays of red banners, and speeches against the regime, and especially the distribution of party propaganda: leaflets and pamphlets published by the RCP Central Committee and by the UTC in 1934-1935, which totaled over 80 titles, and confiscated during the house searches that had taken place.

The majority of these "political crimes" referred particularly to Communist militant Nicolae Ceausescu, since all the communist political actions condemned by the authorities in the field of organizing the work of the UTC and the Democratic Bloc and reproducing and distributing subversive party materials constituted the result of his initiative and effective work as head of the UTC Regional Committee.

Thus, the following "crimes" referring to Comrade Nicolae Ceausescu appear in Point 19 of the indictment: "The defendant Nicolae Ceausescu, from Bucharest, Vasile Lascar Street, No 3, is guilty of the act of breaking the law for the suppression of new infractions against the public peace, in that, on 15 January 1936, with full cognizance and fraudulent intention, he kept on him inflammatory underground pamphlets, pamphlets found during the house search that was conducted in Ulmi Commune, Dimbovita County, which he kept for distribution in public."

Over 180 witnesses were summoned in defense of the youth judged in the Brasov trial, proof of the broad solidarity movement that developed in support of those involved in this trial.

The courage, stubbornness, and political principledness that were displayed by the Communist and antifascist militants, headed by Comrade Nicolae Ceausescu, tried by the Military Council of the V Army Corps in Brasov in May-June 1936 imparted to this trial a wide response within democratic public opinion and stimulated the movement of solidarity with the jailed revolutionary militants. The party entrusted to Comrade Nicolae Ceausescu the leading role, in which, from the accused, he became the accuser; unmasking the peril of fascism and war.

The leader of the group of defendants, revolutionary militant Nicolae Ceausescu, who resolutely and courageously rejected the accusations formulated by the authorities and, at the same time, exposed the abuses to which the defendants had been subjected during imprisonment, was in the center of the attention of the panel of judges.

Comrade Nicolae Ceausescu's solidarity with one of the defendants, who was sentenced to 15 days in jail and removed from the courtroom because he revealed the beatings and insults that he endured during the interrogations, constitutes an important moment in the trial's proceedings, in the affirmation of the role and personality of Comrade Nicolae Ceausescu in bringing about an intransigent attitude in those tried before military justice. For his comradely solidarity, revolutionary militant Nicolae Ceausescu was tried immediately and sentenced to 6 months in jail.

The Brasov trial's proceedings ended on 5 June 1936. Fourteen Communist and antifascist militants were sentenced to penalties that totaled 14 years in jail, 280,000 lei in fines, and 45 years of political interdiction.

Comrade Nicolae Ceausescu received one of the stiffest sentences: 2 years in jail, 2,000 lei in fines, and 1 year of mandatory residence (the ban on leaving the native village after the expiration of the sentence). To these were

added the 6 months in jail to which he had been sentenced for the so-called "outrage."

The sentence handed down by the Brasov panel of judges caused a strong wave of protests on the part of antifascist democratic public opinion in Romania and abroad.

In the history of the party and of the working-class and antifascist movement in Romania, the political trial in Brasov in the spring of 1936 stands out as a moment filled with significance. Through its implications and purpose, it helped to expand the antifascist frame of mind and to increase the degree of mobilization of the broad masses of people in the struggle against fascism, for the homeland's freedom and independence, for Romania's democratic future.

The courage, stubbornness, and heroism of the accused militants and the wide response in public opinion in the country and abroad inscribed the Brasov trial with letters of gold in the history of the antifascist, revolutionary struggles in Romania.

Comrade Nicolae Ceausescu's revolutionary experience, his obstinate and intransigent attitude during the trial, his political principledness and maturity, and the stiff sentence pronounced against him in the Brasov trial polarized the attention of journalists and personalities of the country's political and cultural life. The articles referring to the trial's proceedings in which Comrade Nicolae Ceausescu's statements before the military tribunal are recapitulated constitute the expression of this attention.

The image of the fearless young revolutionary was sketched as follows in the newspaper ARENA on 11 June 1936: "A peasant's son, coming from the people, this stripling, involved in life at a tender age, began to know that he had to want. And he always pushed his wants. He was in Bucharest, in Craiova, then in Ploiesti, and in Prahova Valley. In seeking and doing work, he spoke to his fellow workers about his and their suffering, about his and their desires. And so, he fell under the spell of the billy club. So, he was taken before the Brasov War Council, So, right during the proceedings and for reasons considered an outrage by the council, young Ceausescu was sentenced to 6 months, in addition to the long detention and the sentence at the end of the trial of the 21 antifascists in Prahova Valley."

The wide response to the trial in Romanian public opinion was also materialized in the many articles published in the press of the time. In the period of 27 May-7 June 1936, widely read dailies, such as DIMINEATA, UNIVERSUL, CURENTUL, and ZORILE, published the trial's proceedings every day.

French writer Romain Rolland sent to the Romanian prime minister a letter in which he said: "In the spirit of the truest friends in Europe (of the Romanian people--our note), we implore you insistently to put an end to these scandalous abuses that are causing incalculable harm to Romania." Other prominent personalities in France and in other countries also rose up in support of the antifascist fighters convicted in Brasov, within a broad solidarity movement organized by the Committee for the Defense of the Romanian

Antifascists, which operated in Paris under the leadership of Henri Mineur, Francis Jourdain, and Jerome Fernucci.

The Brasov trial raised the Romanian Communist Party's political prestige, demonstrating that the party had a clear, uplifting goal and the political and organizational power to ensure the success of its historical mission of guiding the people along the path of the revolutionary transformation of society and that it had formed Communist militants deeply devoted to the cause of the party and the people.

The 50th anniversary of the Brasov trial instituted by the repressive authorities against the Communist and antifascist militants, at the front of whom was Comrade Nicolae Ceausescu, represents a splendid occasion for recalling and paying homage to the rich fighting traditions of the working class, of the democratic, progressive forces, of the Romanian Communist Party.

Communist militant Nicolae Ceausescu, who displayed courage and dignity, revolutionary abnegation and patriotism 50 years ago, is now at the helm of our party and state, successfully guiding the Romanian people's destinies along the path of forging the multilaterally developed socialist society and advancing Romania toward communism.

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## HIGHER EDUCATION: MARXIST INDOCTRINATION, BASIC RESEARCH URGED

Prague RUDE PRAVO in Czech 3 Jul 86 p 3

[Article: "Responsibility of Institutions of Higher Learning for Training Specialists"]

[Text] On June 25 and 26, a statewide aktiv of party and government functionaries of institutions of higher learning took place in Prague; on the agenda were the tasks that await them in implementing the resolutions of the 17th Congress of the Czechoslovak Communist Party. The main address was given by the departmental chief of the Central Committee of the Czechoslovak Communist Party, comrade Miloslav Dockal. A summary of his address follows.

'We approach the detailing and realization of the resolutions of the 17th Congress of the party concerning conditions in institutions of higher learning with considerable experiences gained in the past. During the past 10 years, that is since the adoption of the resolution of the presidium of the Central Committee of the Czechoslovak Communist Party On Future Development of the Czechoslovak Educational System, the performance of the institutions of higher learning has been gradually attaining a qualitatively higher level.

A more consistent orientation of the institutions of higher learning to the needs of the national economy, science and culture, proved effective. Owing to the honest and devoted work of most of the teachers, it has been possible to improve the overall preparedness level of the graduates. A great many of them have achieved very good results in their places of work; they are not afraid to assume responsibilities or take risks; they become innovators and improvers. The linkage of the educational process to social practice has been strengthened.

It can be stated with conviction that the institutions of higher learning, their teachers, students and graduates, through the results achieved in their work, are actively influencing and considerably contributing to a dynamic development of our socialist society.

However, despite the many positive results which have been achieved by the institutions of higher learning in recent years, we have not succeeded, as was pointed out at the 17th Congress, in attaining the desired quality of the



educational process, in rigorously enforcing higher requirements for teachers, and strengthening the conscious self-discipline of all the staff and students.

In the Political Report of the Central Committee to the 17th Congress of the Czechoslovak Communist Party, comrade Husak addressed the following to the institutions of higher learning:

"As far as the institutions of higher learning are concerned, it must be emphasized that they have a great responsibility for the training of qualified specialists for the national economy and other areas of society's life, for searching out and preparing talented people for work in the field of science. They also need to be more effective in introducing science and technology into practice."

This means to make certain that a graduate of an institution of higher learning at the end of the 20th and the beginning of the 21st Century is ready and willing, through his specialized knowledge, political-moral and cultural qualities and organizational abilities, to take his place at the forefront of those who are endeavoring to push and implement all that is new and progressive in those areas where society needs them.

The ministries of education, in close cooperation with the institutions of higher learning, must therefore work out a blueprint for the development of schools and education, ensure a consistent implementation of a long-range comprehensive program of using electronics in the educational work of the institutions of higher learning, and together with the departments analyze the requirements for the graduates' profiles with a view toward the year 2000. In this connection it is necessary to work out in advance a total concept of an ongoing, lifelong education, and in the immediate future concentrate on improving the content and means of enhancing qualification and requalification. It is essential to resolve, without unnecessary delays, the question of postgraduate studies.

#### Conclusions of the Congress Concerning Educational Process

We should start the new school year 1986-87 with a clear idea of how we shall implement the conclusions of the 17th Congress of the Czechoslovak Communist Party and the 27th Congress of the Communist Party of the Soviet Union within the individual science disciplines. We are not only talking about the subjects of marxist-leninist education, but about all subjects.

The basic prerequisite for the achievement of a better quality of training of a graduate is a marked improvement in the effectiveness of communist education. We talk about this urgent task often, but we cannot be satisfied with the progress of its implementation so far.

It is essential to achieve a firm ideological-theoretical-methodological unity between the marxist-leninist doctrine and the faculties of the institutions of higher learning, to bring into harmony the ideologically educational influence of the faculties, supervisory teachers of groups and classes, of every teacher, party agency and organization, as well as social organizations,

to ensure a close linkage of marxist-leninist instruction and the total educational performance of the schools with the life of our society.

Good examples can be found in institutions of higher learning and departments of technology, agriculture, natural science and, to a certain extent, also economy. Less often we find an immediate and effective linkage to practice in the departments and schools of the humanities.

An important component of communist education in institutions of higher learning is patriotic and international education. Thus far we have not been teaching our young people enough pride in socialism, in our socialist country. We have not succeeded in making educational use in our everyday work of the rich history of our party and the struggles of the working class, first for the victory of a socialist system and now for almost 40 years for building a mature socialist society. Most often we give our students theoretical theses about the past, but less often do we succeed in presenting the history of the party and socialism in a persuasive and vivid manner. We are not effective in instilling in our young people a pride in the richness of our present socialist society.

Of great importance for a highly effective communist education in institutions of higher learning is the quality of their staff, particularly the teachers. It is essential that the faculty, as the basic unit of an institution of higher learning form a solid, ideologically, politically, theoretically and methodologically unified collective. The level of interpersonal relationships and their socialistic, comradely and critically demanding character determine, together with the level of the scientific and pedagogical qualifications of individual teachers, the atmosphere in the department, the equality of requirements on the students and their relationship to socialist society. A good working collective of the faculty is constantly struggling against self-satisfaction, against formalism in the education of the students, against conflicts between words and actions of the pedagogues.

The development of socialism in individual countries and of a worldwide socialist system as a whole presents a number of new facts, to which the educational process must necessarily react. There is, first of all, the need to internationalize education, given the fact of a socialist, economic, and technological integration; when this process accelerates, there will be an ever increasing demand for qualified cadres.

Mainly because of these reasons, the educational process has different social dimensions and importance than in the past. As was emphasized at the June Congress of the Central Committee of the Communist Party of the Soviet Union by the General Secretary Mikhail Gorbachev.

"Our times require of everyone a constant renewal of knowledge, enhancement of skills and broadening of the ideological, political, technological and economic outlook. Otherwise an effective use of the most advanced technology, a well run economy, and thoughtful management will not be possible."

## Effective Scientific Work Above All

The proceedings of the 17th Congress of the Czechoslovak Communist Party presented an important task for party work in institutions of higher learning--namely to greatly increase the effectiveness of scientific work. This means to create favorable conditions for dynamic advances in all scientific fields, to concentrate all forces and material and financial resources in key areas which are to accelerate the fulfillment of our goals in economic and social development.

We expect of the institutions of higher learning that they will, in cooperation with the Czechoslovak Academy of Sciences and the Slovak Academy of Sciences and departments, actively participate in accomplishing the tasks laid out in the Main Directions of Economic and Social Development of the Czechoslovak Socialist Republic and in the Comprehensive Program of Technological Development of CEMA Member Countries up to the Year 2000.

The Central Committee of our party dealt with the questions of technological development and, most of all, the question of introducing science into practice at the 8th session in 1983, which continues to be of importance in our work; we need to keep referring to its conclusions concerning institutions of higher learning. We have seen some positive results already. For example, the first production units appeared which make, still in very limited numbers for the time being, specialized scientific instruments and preparations for the needs of our scientific research development base. An example could be the Higher Institute of Technology in Brno, which this year initiated the production of 6 kinds of specialized instruments. Their development is the result of cooperation in scientific research with the Czechoslovak Academy of Sciences. We are pleased to note that our institutions of higher learning reacted and were able to respond to Prague's call with very valuable undertakings.

At the present time, when it is essential for the accomplishment of our goals in economic and social development to speed up technological progress, the importance of basic research is growing. We are therefore counting on the focus of scientific research activities of the institutions of higher learning remaining in the area of basic research. It is imperative to require that more of our work places reach a world level in science and be able to coordinate research, particularly in those fields where it is necessary to have a broadly based interdisciplinary background.

Research in the area of social sciences needs to be aimed at the main questions of developing a socialist society. Social sciences have to meet, more than they have thus far, the needs of application in practice.

The key social and political task for the next 15 years, as was emphasized by the 17th Congress of the party, is an active CSSR participation in the realization of the Comprehensive Program of Technological Development of CEMA Member Countries up to the Year 2000. When working on this essential political task in the institutions of higher learning, it is first necessary to evaluate the current state of training and educating specialists for the

key areas of the comprehensive program, and in accordance with the program continue intensively to make content changes and improvements in the curriculum.

However, it is not possible to achieve a high level of professional training without an effective integration of education-science-production. We must ensure a full utilization of the most up-to-date scientific findings in the educational process. It is essential to involve students in scientific research to a much greater degree, provide them with scientific education, and thus familiarize them with the science policies of our party and the problems which we are encountering in the process of building a socialist society.

Science of a high order also requires quality instruments and technical equipment; thus it is necessary to aim for the creation of interdisciplinary department-wide, school-wide and inter-school--branch-wide instrument centers and laboratories and other up-to-date ways leading to the utilization of existing resources.

The development of science depends, most of all, on the specialized, moral, and political preparedness of cadres. It is therefore necessary to pay maximum attention to the education of new scientists. Schools have developed various programs and systems for working with talented people, but they are not achieving the desired results. We simply take chances with our talented people. Why are we not able to create the necessary conditions for true talents? We have to, collectively, find answers to these questions, as well as the solutions commensurate with current requirements, regardless of various administrative restrictions. We have to provide as much scope as possible for the creative scientific projects of the staff of our institutions of higher learning, emphasize the political importance of the achieved results, create a favorable political climate for supporting our most enthusiastic and progressive staff, and at the same time come down hard on those who still do not comprehend these realities.

#### Higher Requirements for Directors

The high standards demanded of cadres dictate that they do not hide behind the authority of the communist party which entrusted them with official functions, wait passively for instructions to come from above, but on the contrary actively establish the authority of the party, assume responsibilities and risks. Also of foremost importance these days is the requirement for moral quality, high personal cultivation, and a sensitivity toward people.

With the new requirements of the times come also growing demands for a cadre profile of the teachers in institutions of higher learning. Such a teacher has to be a well rounded personality who, through his great pedagogical skill and sensitivity, profound specialized knowledge and scientific erudition, firm political beliefs, social and moral cultivation, trains and educates young people, stimulates their natural desire for knowledge, reveals the unknown and unexamined.

Understanding and patience should be intrinsic traits of teachers and educators of the young generation. We should not be misled by the sometimes too healthy a self-assurance of the young generation; they, too, need our understanding and interest. Negative manifestations which can be seen sometimes in the behavior even of some of our students in institutions of higher learning, do not stem from their innate or generational characteristics, but from a lack of understanding and interest, whether in the family, in school, or personal relationships.

The cadre situation in institutions of higher learning has been relatively stabilized. But we are aware that in some departments, particularly in social sciences and pedagogy, the situation is not altogether satisfactory.

We should also be more interested in how the professors and lecturers participate in the pedagogical process and educational work among students. Party officials point out the fact, that some professors let teaching assistants take care of the teaching. We have to put an end, vigorously and without delay, to such bad practices which have a negative impact on educational quality.

#### New Approaches to Fulfilling Tasks

A successful implementation of the resolutions of the 17th Congress of the party concerning conditions in institutions of higher learning requires that we bring to a higher level the conceptual, directing and planning activities, that each component, each collective and individual have precisely delineated tasks which suit the high requirements for training graduates of the institutions of higher learning and the participation of those institutions in the socialistic economic development of society. Directors have to maintain constant control over the fulfillment of these tasks.

The ministries of education have been preparing already for some time a proposal for improving the management of the institutions of higher learning including the improvement of management by the ministries of education. To offer concrete suggestions on how to make such improvements means to offer an analysis of the current state of affairs, and that has not been the case so far.

It is particularly important to ensure a unified approach of both ministries of education, their mutual close and active cooperation. We demand of the ministries a strong governmental and work discipline, not only in their own administration, but also in their subordinate organizations and institutions of higher learning.

Together with a re-evaluation of the merits of currently valid directives, decrees and suggestions, it is also necessary to re-evaluate the standards and contributions of various activists and consultations with functionaries of institutions of higher learning, and see to it that they are held only when and if they can contribute to better quality education.

When formulating concepts and in directing, the ministries of education should rely much more on experienced, able people from the schools and have them pass opinion on the ideas the ministries present. In their decision making they should emphasize the collective approach while fully respecting the principle of democratic centralism.

The ministries of education and individual school must, through a closer coordination with practice, strive for a visible improvement in the area of equipping institutions of higher learning with modern didactic and instrument technology, and ensure that when attending to all these tasks, we do not forget to create appropriate conditions for housing and feeding the students, as well as for an active utilization of their free time.

#### Involve All Communists

Changing the attitudes of teachers, other staff and students to their work and studies and bringing into harmony words and concrete actions, requires a constantly increasing action-taking ability of party organizations, strengthening of the supervisory role of the party, and ensuring a highly committed attitude of all communists toward the implementation of party resolutions.

Realization of the conclusions of the 17th Congress of the Czechoslovak Communist Party is closely linked and subject to the quality of work of the communist party, its officials and organizations, of every one of its members. If we are to collate fully the training of the graduates of the institutions of higher learning with the requirements of practical application, we need to demand first of all high standards of the teacher's work, most of all of the teacher-communist.

A new feature in the work of party agencies and organizations is to exercise the right of party control. First of all, it is necessary to place the emphasis on a full comprehensive and enforcement of the resolutions of the congress and the resolutions of the Central Committee of the Czechoslovak Communist Party, compare them with actual results, pinpoint shortcomings, their causes and those responsible for them, and demand that responsible personnel adopt the necessary measure for rectifying them according to their competence.

The requirement of the 17th party congress--to eliminate from all activities any formalism, routine, inertia or satisfaction with what has been achieved, applies fully even to communists who guide the institutions of higher learning, their departments, faculty, and party organizations. Party organizations in institutions of higher learning also have to deal with provincialism which appears in the life style and behavior of some of the students as well as some of the teachers.

Institutions of higher learning train highly qualified specialists, people who think and act in a socialistic way. It is necessary, therefore, to do away with all the elements which have nothing in common with the character of a socialist school. For this reason also one of the key tasks of party

organizations in institutions of higher learning is to strengthen the ideological and political activity among teachers and staff of the school, as well as among students. We expect that party organizations and their committees will increase more than ever their activities in influencing and formulating the political and working climate in the collectives of the institutions of higher learning.

An important role in implementing the school policies of the Czechoslovak Communist Party and the socialist state in institutions of higher learning belongs to the Revolutionary Trade Union Movement and the Socialist Youth Union. The foremost task of trade-union organizations in institutions of higher learning is to actively assist in cementing work collectives, increasing their productivity and, last but not least, making certain that total care is given to man, the decisive factor in the demanding work of those institutions. There is need to pay more attention to the politically professional and moral preparedness of teachers and other personnel to persevere in fulfilling the basic mission of the institutions, set them on a course to high efficiency and quality in all aspect of their work, increase personal responsibility and work discipline while increasing the uniformity of training and educating students and forming their socialist personalities.

The students carefully followed the proceedings of the 17th Congress of the Czechoslovak Communist Party and the 27th Congress of the Communist Party of the Soviet Union, and familiarized themselves with their conclusions. The pre-congress and pre-election period proved that students are interested in social activities, that they participate fully in implementing the tasks of the schools and the election programs of the National Front. But it also became obvious that it is necessary for representatives of schools and departments as well as of our political and public life to meet with them on a regular basis for open discussions of the problems and tasks of our society and the international situation.

We consider the basic contribution of students to the development of our society to be a responsible attitude toward training for their future occupations and toward their studies and applying their expert knowledge wherever society needs it the most. A conscious attitude of those attending the institutions of higher learning toward education has to be formed primarily in study collectives, where an atmosphere of implacability with disinterestedness, poor discipline and mediocrity has to be created. The students' scientific, artistic and professional activities, the importance of which keeps increasing during the process of graduate studies, contributes to the development of a creative attitude toward resolving problems. It is good to know that most of the work of SVOC (as published) is directly linked to practical application.

The initiative of students in their work is of considerable importance in the training of graduates.

Today we have in our institutions of higher learning able supervisors, devoted to the party and to socialism. What we have to achieve now is to create in all the institutions of higher learning and their departments a uniform, nonformalistic attitude of the staff, aimed at having graduates enter practice at the level demanded by present times, at having the institutions of higher learning actively contribute to the accomplishment of the tasks our society requires.

CULTURE OFFICIAL GIVES GREEN LIGHT TO 'SOCIALIST' ROCK

Prague MLADA FRONTA in Czech 22 Jul 86 p 4

[Interview with Dr Josef Trnka, Director, Institute for Cultural Education, Czech Ministry of Culture, by Frantisek Fiala]

[Text] [Question] Some time ago, you took part in a discussion published in MLADY SVET on the problems of rock music. Have you received any feedback?

[Answer] Yes, and to tell the truth, mostly negative ones. For example, I received a large number of letters in which our cultural organizations, including our own institute, are criticized for not doing anything for the music of the young, for allowing a ban on this music to remain in force, for discriminating against it, for being complacent, and for lacking interest in it.

[Question] Is this the case?

[Answer] I am not aware of any decision or measure limiting the development of rock music. Naturally, a green light has been given and can be given only to such rock music which meets the ideological and esthetic criteria of our socialist society. This position was also echoed at a conference on group artistic activity held in Ceske Budejovice recently. Primitive, banal, sometimes even vulgar and ideologically unacceptable lyrics, overamplification, serious interpretative shortcomings, and platform exhibitionism have been responsible for rejecting this music.

[Question] What about the alleged lack of interest on the part of the institutions?

[Answer] I cannot speak for the others. As far as our own institute is concerned, I must admit that rock music and country music were considered by our staff workers to be less than serious for a long time, and consequently they paid only marginal attention to this type of music. However, logic dictated that in the long run we had to react to the strong interest our young people have been exhibiting in this type of music. It was a mistake for us to have done so late and only after criticism and the adoption of measures by the Ministry of Culture. I am certain that the problems and misunderstandings especially involving rock music were caused in the past by insufficient, unqualified, superficial, and makeshift



attention to this music by other technical workplaces, agencies, the press, as well as members of the pertinent artistic unions. By the way, we are not alone in striving to improve the quality of rock music. The Soviet Union is presently studying this question too and the DDR has been doing likewise for some time.

[Question] You mentioned some adopted measures. Can you tell us what these measures are about?

[Answer] The activity of individual groups, improvement in contacts with heads of various ensembles, expanded publication activity, efforts to educate audiences, improved material-technical equipment, etc. The basic goal of the adopted measures is to achieve a substantial improvement in the ideological and esthetic level of the music for the young, especially in the areas of rock and country music.

[Question] Can you tell us how these measures concretely affect the work of the institute?

[Answer] We are in the process of establishing a center for music performances and social entertainment whose goal is to disseminate a broadly understood conceptual, methodological, instructional, educational and organizational activity involving both the active participants, i.e., ensembles, and people interested in the music for the young. We have been successful in attracting to this center the leading experts in music for the young, theoreticians, publicists, as well as active musicians. The most experienced of them ought to create a basis of a committee for rock music and advisory boards for the entire area of entertainment music according to the individual genres as already mentioned in the discussion in MLADY SVET. We plan to start publishing very soon a technical-methodological bulletin. Our publishing plan also calls for interesting study materials. We want to pay increased attention to educational activity as well as to organizers of concerts, shows, and festivals in close cooperation with the organs of the Socialist Youth Union. We are also participating in the solution of a number of legal and economic problems related to such music. For example, recently a proposal was made to amend the principles governing the activities of country musicians. One of the major measures which was approved by the Czech Ministry of Culture is the establishment of clubs bringing together those who are interested in music for the young. Following the discussion we had with officials of the Socialist Youth Union and other organizations, we believe that the best solution would be to have such music clubs for the young working in association with the union's clubs.

[Question] Is it easy to accept new measures in this area? Is there not a danger that one must face old prejudices in this respect?

[Answer] I have to answer in such a way as not to step on anybody's toes. It is quite correct to see that all responsible workers are on guard. There are many problems and we must always keep in mind that bourgeois ideological diversionary activity tries to use rock music to influence

our young people. However, in the area of cultural-political practice one cannot agree with the fact that many responsible functionaries in various institutions, facilities, and other places throw the entire problem of music for the young into one bag without trying to differentiate. What they do is use administrative measures to sweep the problem out of their jurisdiction and this is the end of their worries. Such an approach will solve nothing. Rock and country music are part of the youth culture regardless of whether some people like it or not. Most of our young people passively identify with this type of music. And many collectives of group artistic activity are actively involved in it. I would also like to emphasize that because of its character this type of music does not remove itself either artistically or ideologically from our music culture. All responsible workers including our organization, namely the Institute for Cultural Education, must nevertheless help to bring this type of music in line with our socialist culture. It must not disrupt the lifestyle and thinking of our young people. On the contrary, it must strengthen their esthetic thinking and a correct Marxist-Leninist orientation.

[Question] What kind of rock music should we have in your opinion?

[Answer] Look, in the West they often use this music in lieu of drugs to make the young people forget their social problems and as an instrument for generating huge monetary profits. However, even in the West there is rock music which encourages the people to struggle for peace, social justice, and perhaps even a decent environment. In our country there are tens of rock groups which not only work very hard but also express their civic feelings. And this is the goal. Rock music should express the feelings of young people who not only love one another but who also work and struggle for something. And we must defend such music and create the necessary prerequisites for its development, musical content, and meaning. One more thing: Some are offended that the cultural interest of many young people starts and ends with their favorite group or discotheque. Such a situation is obviously not ideal. These young people who do not read, do not go to a cinema, theater, exhibit, or who do not work in an artistic group are shortchanging themselves. In my opinion, however, we should worry more about something else, namely, the fact that some of our young people ignore culture altogether. Participation in a discotheque or a concert by a popular group with a given cultural level is after all cultural activity. On the other hand, we could hardly view as cultural activity someone sitting in a tavern and having a beer. Also, for this reason it is necessary to give the music for the young more exposure to help us dissipate our boredom and lack of interest. I believe that other interested organizations, including those which are outside of the cultural sphere, will do more for good rock and country music. I believe that as in the past, the Socialist Youth Union will play a major role in this respect.

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## BRIEFS

NUMBER OF DIVORCE CASES RISES--Divorce numbers in the GDR are creeping upward. In 1985, court decrees dissolved 51,240 marriages, more than ever before since the founding of the GDR. Compared to 1960 figures, the number of divorces in the GDR has more than doubled. That year, the GDR courts issued 24,540 divorce decrees. The number of divorces in the GDR is significantly higher than in the Federal Republic of Germany. While the GDR rate is 3.1 divorces per 1,000 population, the rate is only 2.1 (1985) in the Federal Republic. On the other hand, more marriages take place in the GDR: in 1985, there were 7.9 per 1,000, in contrast to 6.0 in the Federal Republic. According to GDR studies, many young people in the socialist German state marry in haste and divorce after a relatively brief marriage. Experts ascribe almost half the divorces to overhasty marriages. In their opinion, there is a connection between early marriage and the often cramped living conditions in parents' homes, which result in young people's wanting their own residence. Because single people are placed last on the state waiting list for housing assignments, many young couples decide to get married too quickly, so that they get assigned their own apartment sooner. In conjunction with this, engagements are being more intensively publicized as a period of trial and testing. [Text] [West Berlin IWE TAGESDIENST in German No 113, 25 Jul 86 p 2] /6662

CSO: 2300/515

## POLICE CONCERNED ABOUT INCREASING CRIME

Budapest NEPSZABADSAG in Hungarian 23 Jul 86 p 4

[Article by Colonel Ferenc Nemeth, Dr, police chief of Fejer Megye: "Together for the Sake of Public Order"]

[Text] It is in every society's interest that its citizens be able to live and work under conditions of suitably maintained public order. In this violence-ridden world, the maintenance of public order in Hungary will stand comparison with any other country, although we are forced to admit that lately there has been a rise in criminality also in our country, the observation of traffic regulations has worsened, and violations that adversely affect order in public places have become more common.

To maintain public order involves nothing less than to guarantee the security of the lives and property of every Hungarian citizen and every foreigner staying in Hungary, to step up the protection of public property, to tighten order in the streets, to support the family as an institution, to give youths a socialist education, to reduce the number of traffic accidents, and to create and maintain a good general environment essential to well-balanced creative work.

This list of functions conveys the fact that the maintenance of public order is primarily the responsibility of the criminal law enforcement agencies and courts. But society's active participation is indispensable to the performance of these functions, because the causes of the threats to public order are mostly of social origin.

## Response to Unfavorable Phenomena

The unfavorable phenomena that are being experienced nationwide in the area of public order are evident, and making themselves felt, in Fejer Megye as well. Indeed, here the rise in the crime rate is even higher than on average for the entire nation. The traffic density on our public thoroughfares is 30 percent above the average, and the loosening of civic discipline is causing considerable problems in the maintenance of order in public places. It is in the interest of every resident in the megye, and of every state agency and voluntary public organization, to stop this unfavorable trend. This situation inspires us police officials to avail ourselves of society's cooperation even under the

present, more difficult conditions. In this context I would like to point out two things.

The city residents of Fejer Megye have repeatedly expressed their concern about the perceptible sharp rise in urban criminality, and the periodic worsening of public order in some cities. These city residents generally believe that most of our public-order problems would be solved by assigning more police to patrol the streets.

The presence of police in itself unquestionably has a preventive effect. But I am convinced that, on the one hand, the national economy will not be able to afford any substantial increase of the police force within the foreseeable future; and on the other hand, the criminal law enforcement agencies are only able to indicate, on the basis of their experience, the social causes of crimes but cannot remedy them. As an illustrative example I will mention that in the first five months of this year the police in Fejer Megye were called out in 300 cases of domestic disputes due to drunkenness or rowdyism, and there were also 2000 crimes against property that could have been prevented had the victims kept their valuables in a safe place. Missing vouchers, lax bookkeeping and auditing, and negligence are recurring causes of the crimes against public property involving substantial losses.

#### Public a Partner

The examples taken from the experience of the criminal law enforcement agencies clearly show that, in addition to more police patrols, society's cooperation plays an important role. This cooperation in its turn requires that the accumulated experience and the available information jointly help eradicate the causes of crime. In Fejer Megye, following the practice of the Ministry of the Interior, we regard the public a cooperating partner in crime prevention. In our experience, the periodic briefings, ad hoc reports, "Blue Light" and the programs on Hungarian Radio are helping to make the work of the police more effective.

The interests of society and the individual require that we use every legal means to prevent individuals from becoming criminals. The trend of juvenile delinquency in our country is unfavorable, and this is true of Fejer Megye as well. The proportion of juvenile delinquents within criminality and delinquency combined is rising; their violations are becoming more serious and a greater threat to society. We can reduce the supply of replacements for criminals by preventing juvenile delinquency. This is one of the very important tasks of the police. Homeroom talks, on Interior Ministry topics, with students of vocational and secondary schools--and, experimentally, with the 8th grades of general school--serve this purpose. Here we use the tools of information and persuasion to warn the kids of the dangers to which their age group is exposed.

Public cooperation is the most extensive in this area, because many organizations--the councils, educational institutions, youth institutes, several voluntary public and mass organizations--are involved in protecting our youth. Comprehensive measures--coordinated regularly by the megye council, and by the megye party committee on an ad hoc basis--have been introduced to strengthen

this cooperation. We get much help from the voluntary police groups that consist of teachers and youths.

The framework for more effective environmental protection through voluntary public cooperation has recently been established in our megye. As a result, the police are stepping up their monitoring of the settlements' public sanitation, and the protection of historical landmarks. Cooperation extends to identifying the noisy and air-polluting plants and shops, and to monitoring public roads, waterways, and nature conservation areas. In such cases we work together with the inspectorate of public lands, and with the field watchmen, fish wardens and game wardens.

The state of our roads, the aging stock of motor vehicles, and lax traffic discipline are reflected in the increasing number of traffic accidents, vehicular crimes and traffic violations. The organization and control of traffic presuppose cooperation among the authorities, but even the present level of traffic safety could not be maintained without the public's cooperation.

#### Confidence in Exchange for Information

In collaboration with practically every state agency and voluntary public organization in the megye, the councils on traffic safety are using also their financial resources to achieve the best possible results in disseminating information about the traffic regulations and accident prevention, and in their propaganda work. The activists' observations help the authorities to organize traffic and maintain traffic safety. The traffic playgrounds built recently in Mor and Sarbogard for schoolchildren are significant results of voluntary public cooperation.

The forms of cooperation we have singled out do not exhaust the voluntary public efforts to improve and maintain public order. In specified instances the police are cooperating with the megye units of the Hungarian People's Army, the Workers' Guard, the Hungarian National Defense Association, the KISZ Youth Guard, and with every well-meaning citizen. Their information helps the police in their work. And their complaints call the attention of the authorities to the existing shortcomings.

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END