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# East Europe

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## CZECHOSLOVAKIA

### Similarity Between Prague Spring, Restructuring Denied

24000112 Prague *TEORIE SOCIALISMU in Czech*  
No 3, 1988 pp 33-45

[Article by Milan Matous: "We Do Not Need To Change Anything"]

[Excerpt] The lessons of history drawn from the events which took place in 1968 and in subsequent years, during the era of socialist consolidation, are to this day indisputably of considerable importance for the implementation of the program proposed by the 17th CPCZ Congress for acceleration of our socioeconomic development, comprehensive restructuring, and intensification of socialist democracy in the spirit of decisions issued by the 7th Plenum of the CPCZ Central Committee in December 1986.

Lately, we have heard over and over again allegations by the West that the current program of the USSR unquestionably contradicts CPCZ policies, confirms the line of the Czechoslovak right wing in 1968, and that the Soviet reforms are exactly the same as those advocated by the protagonists of "socialism with a human face." Moreover, the emigre Zdenek Mlynar on Radio Free Europe and the "dissidents" in their antisocialist pamphlets frequently "invoke" the example of Comrade Mikhail Gorbachev. This "camouflage" is meant to discredit both the Soviet policy which, in fact, they would like to present as right-wing opportunism, and the Czechoslovak policy which they characterize as conservative and "anti-Soviet."

In light of the programs adopted by the 17th CPCZ Congress as well as the 27th CPSU Congress, the counterrevolutionary attempt which took place in the CSSR in 1968 is nothing more than a reactionary, backsliding, counterrevolutionary attempt. Its objective was to tear apart the foundations of socialism—to destroy the socialist character of the ownership of the means of production, the political power of the workers' class and of the working people, and the leading role of the Communist Party as the bearer of Marxist-Leninist ideas, and the unity of the Marxist-Leninist theory with practice. It was aimed against proletarian socialist internationalism, against our alliance with the socialist community, and against the friendship, cooperation, and alliance of our country and its people with the USSR. The objective historical necessity of defeating this attempt as decisively as possible has been confirmed.

When interviewed by Czechoslovak journalists on the results of his meeting with General Secretary of the CPSU Central Committee Mikhail Gorbachev, General Secretary of the CPCZ Central Committee Milos Jakes noted, among other things: "Our points of view are identical even on the events during the period of crisis. We do not have to change a thing here."

At the 10th Congress of the Czechoslovak-Soviet Friendship League, Vasil Bilak stated: "The effort to look for parallels between current developments in the USSR and events in the CSSR in 1968 is insincere. At first glance both developments may seem similar or even identical to some people; however, starting as early as May 1968 the events in the CSSR took on a different content and a different direction. A gradual, well-planned effort to dismantle the socialist social system was under way. To compare the process of restructuring in the USSR today with the developments in the CSSR in 1968 is an insult to truth and human intelligence."

In the journal *NEW TIMES*, Soviet author Boris Kozlov criticized the attempts of bourgeois circles to restyle to their advantage certain aspects of history and also the "allegation that the time has come to correct the assessment by the Czechoslovak communists of the crisis events." The author concludes his analysis: "As for the lessons of the CSSR crisis, the fundamental principles which the Czechoslovak communists had drawn at that time were as indisputable nearly 20 years ago as they are today. Time has proven them true."

The same judgment was pronounced by several Soviet experts, including Aleksandr Kondrashev, TASS commentator, who rejected the allegation of bourgeois propaganda that "the current CPCZ leadership must revise the role of the protagonists of the 'Prague Spring' and give a free hand to the opposition—in brief, let it repeat the same efforts as those which took place in the CSSR after January 1968." He pointed out the diametrical contradiction between the efforts of the right-wing forces in the CSSR in 1968 and the restructuring under way in the USSR as well as the program announced by the 7th Plenum of the CPCZ Central Committee last December. He stressed the completely different role of the party in the life of society, the completely antagonistic attitude to the unity of socialist countries, and the completely different role of mass communications media. He concluded his commentary: "...No matter how ingeniously and artfully Western propaganda characterizes the traits common to the Soviet program of restructuring and the events which took place in the CSSR 20 years ago, it can hardly influence people's minds. Those common traits lack one thing—truth."

The program of acceleration and restructuring sheds more light on the errors we have committed on our socialist path in the 1950's and 1960's. Chronic problems that were left unresolved weakened our party's unity with the working people and undercut the power and effectiveness of our socialist state. Our experience has confirmed that we have failed to draw appropriate lessons from the achieved stage of development particularly because of the loss of scientifically substantiated plans for our further social development based on realistic assessments of the situation. A realistic and dynamic social program with mass appeal is indispensable for the people's involvement in our economic, political, and spiritual life.

If we compare our current and historical experiences, we can appreciate the unusual challenges of fundamental reforms in the development of our socialist society and of significant changes in our political program, because there is a danger that some of our public and party activists may fail to come promptly and fully to grips with the purpose of those changes. It is to be expected that foreign anticommunist agencies will always try to distort the thrust of such reforms, to thwart them by every available means, and to exert pressure to deform them in a reactionary antisocialist spirit.

When searching for alternative solutions to new problems, it is nearly impossible to exclude the intentional and unintentional relapses into old or resurrected bourgeois attitudes pretending to be innovative. They cannot always be easily identified, especially if they are camouflaged by quasi-Marxist phraseology. Genuine innovations impose considerably higher demands on the Marxist-Leninist class and ideological principles and character, and on a high standard of theoretical research and political education.

The cardinal difference between the 1968 events in the CSSR on the one hand and the current developments both in the USSR and in our country on the other is primarily the fact that today the CPSU and the CPCZ are in firm control of their political affairs. The restructuring and renewal program is to the benefit of socialism and not to its detriment, which was what the right wing attempted 20 years ago in our country. As compared with the right-wing attempts in 1968, all current efforts at reform demonstrate, despite all sorts of superficial similarities, a diametrically different class character.

An unavoidable question arises: If the post-1969 policy of the CPCZ was correct and successful, why are we still discussing the errors and unresolved problems of recent years, and why do we have to face the fact that once again we need reforms? Is it not proof that the protagonists of the "renewal" rejected in 1968 were on the right track? Does it not mean that today we have returned to the same solutions that were repudiated 20 years ago?

On the surface this may seem to be the case, but in reality development in the CSSR since the early 1970's has advanced considerably in every area of our social life. The situation in our country is quite different. The achieved level cannot be compared with the conditions of the late 1960's. This is precisely the result of our social progress and of the new quality of our accomplishments which call for new, more challenging approaches, for new perspectives, and for greater and bolder endeavors on our part.

As the 17th CPCZ Congress and the 7th Plenum of the CPCZ Central Committee underscored in a critical way, even the past period was not without faults and certain subjective inconsistencies. The strategy of acceleration of our socioeconomic development, comprehensive restructuring, and intensification of socialist democracy

should raise socialism to a qualitatively higher level, and by the same token it should resolve and eradicate problems and shortcomings that are holding us back. Continuity, innovation, and challenges stemming from the level of development we have achieved and from necessity to eliminate subjective errors and shortcomings—those are different, mutually complementary, and interrelated aspects of the same process. The program of acceleration is based on the results of the achieved development; at the same time, it should introduce a new quality and a new spirit into this development.

Where can we see any guarantee that the challenging plan for an accelerated development of our society will succeed and that it will be reflected in the living standard and in the way of life of our citizens? It may be mainly in the fact that our party, state, and Czechoslovak society, under the capable and energetic Marxist-Leninist leadership, are dealing with these tasks. Comrade Milos Jakes who was unanimously elected general secretary of the CPCZ by its 7th Plenum in December 1987 is a man with considerable political experience, is in constant contact with our working people, and is a champion of the ongoing restructuring program.

Another advantage of the current situation is that we can profit from the experience and authority gained by the Leninist principles of socialism in the USSR in the process of restructuring and renewal, and from the favorable international situation created by recent advances of the peaceloving and progressive forces. Our experience and the objective needs of our era have been enhanced by the example and inspiration of the CPSU's policies and by the knowledge that at this particular stage, in general, a new approach must be made in the development of socialist countries and their community.

Last but not least is the fact that the program of the 17th CPCZ Congress and of the 7th Plenum of the party has gained much from our people's invaluable historical experience and, among other things, also from the lessons of 1968. It has benefited from our citizens' political maturity and their sincere, spontaneous wish to create conditions in our country in which social justice will be firmly linked with a dynamic social progress. Only concrete efforts of our people working in industrial enterprises, transportation, agriculture, education, science, culture, and all other sectors can determine whether our audacious but realistic tasks and plans will be translated into reality. They will determine whether our life will achieve a new material and spiritual level, and how our country may enhance the authority of socialism and peace in the world.

The policy of acceleration and restructuring has reaffirmed with even more emphasis that the defeat of the counterrevolution in 1968 was fitting and necessary. On the basis of progressive revolutionary traditions and of important lessons of history, the achievements of the building of socialism made it possible to adopt this challenging program and provided the groundwork for

its successful implementation. It has been repeatedly emphasized that this program signals more democracy, more socialism, and more consistent translation of the Marxist-Leninist principles into reality.

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## HUNGARY

### Full Soviet Support of Current Policies Acknowledged

25000213 Budapest TARSADALMI SZEMLE  
in Hungarian No 5, 1988 pp 75-81

[Article by Gyula Thurmer, Soviet desk officer, International Affairs Department, MSZMP CC: "New Period in Hungarian-Soviet Cooperation"]

[Text] In today's complex period of our socialist development great attention is paid to the international conditions that bear upon our work. Just how important the events in other socialist countries are in this respect requires no proof. The MSZMP today can gain strength from those favorable changes in the Soviet Union and in the rest of the socialist countries which, although to different degrees, have placed socialist renewal, reform and social transformation on the agenda. This is worthy of mention, if for no other reason because in the light of historical developments the prevailing content, objectives and opportunities of relationships between two socialist countries must be continuously redefined.

The consistent continuation of our economic reform, and the modernization of our political system represent an endeavor today which does not isolate, but rather ties our party to the CPSU, to the parties of socialist countries, to the theoretical pathfinding of the international communist and workers movement and with the main trends of their practical policies. The furtherance of this process represents a fundamental Hungarian national interest.

In this respect the external conditions of our constructive socialist work during the past period show improvement; Soviet economic and political endeavors and processes have a special significance. This recognition is reflected in the fact that information concerning the Soviet Union disseminated in Hungary in recent times has become more colorful and more interesting. Under present circumstances it appears as particularly important to provide constructive, complex presentations of the Soviet pathfinding effort. In evaluating opportunities for cooperation, we will develop a sense of proper proportions only if we do not view phenomena outside of their respective contexts, if we provide information concerning the subjects of our cooperation in a more specific, more sincere manner. With respect to all of these matters we can rightfully state today that a new period has begun also in regards to Hungarian-Soviet cooperation. The

content of this cooperation is primarily defined by the fact that both Hungary and the Soviet Union are confronted by several tasks of a similar character.

The diverse features of the specific situation however, gain expression through different definitions of goals and watchwords. We are laboring on the realizing the program of stabilization and evolution, while Soviet "perestroyka" redefines its objectives in terms of political, economic and social transformation. At the same time it is also a fact that both countries have placed on their agenda the stabilization of the economic situation, on occasion to halt further falling behind, the acceleration of social and economic development, and the renewal and transformation of political and ideological life. This similarity of tasks also means that along with long-term interests there emerged some new connecting links. This is what Janos Kadar had to say at the Moscow festivities commemorating the 70th anniversary of the October revolution, concerning the peculiar intertwining of our interests: "... Soviet endeavors and accomplishments continue to represent significant support for the fulfillment ["resolution"] of our domestic tasks. At the same time, we believe that the accomplishments of Hungarian economic and social renewal contribute to a certain extent also to the cause of socialism, and of general human progress, beyond serving the purpose of providing a better future for our people."

The above-mentioned new elements of the Hungarian-Soviet system of relationships can be sensed primarily in our political relations. Our two countries' cooperation became visibly invigorated during the past period. Internal Soviet developments reinforce a conviction also in Hungary: some deep-seated changes both in the economy and in the political institutional system are needed in order to overcome concerns that face society. Confidence and understanding has gained strength in the course of these processes also. The present CPSU position in regards to the experiences and practice of other sister parties has contributed significantly to the strengthening of this confidence and understanding. In the Soviet party's judgment the experiences of the MSZMP and of other sister parties may help resolve the Soviet tasks, and this is yet another reason why the Soviet Union is interested in seeing that the pathfinding of socialist countries is successful. The Soviet side is cautioning against the mechanical transplanting of these experiences to Soviet conditions, at the same time the Soviet side theoretically rejects and in practice does not desire that methods found to be successful in the Soviet Union be copied mechanically. "We are convinced about the fact that unity does not mean identity and uniformity by far. We are also convinced that socialism does not, and cannot have some kind of uniform "model," according to CPSU general secretary Mikhael Gorbachev at the 70th anniversary of the great October.

Our party members frequently ask the question, and public opinion is frequently preoccupied with the issue of how the Soviet Union views our present situation, and

what kind of help we can expect in resolving our concerns. Concerning the Soviet view: on the one hand, they are familiar with our present concerns and express anxiety in regards to those concerns. This is fully understandable, since we too openly define these concerns in our situation analyses. Decisive is the fact however, that the steps which are planned or have been taken already in the interest of stabilization and evolution are regarded as parts of a program which unifies the party, the best forces of society, encourages the strengthening of socialism, and increases the party's leading role. They are aware of the fact that in order to accomplish established social tasks, it is necessary to take advantage of opportunities offered through international cooperation, along with domestic resources. The high level meetings of the most recent past also demonstrate that in order to help accomplish our domestic tasks, the Soviet Union is prepared to provide economic assistance according to its means, in addition to political support.

Insofar as we are concerned, we have a long-term interest in the multi-faceted development of traditional economic relations with the Soviet Union. Viewing only the past quarter century: in 1962 for instance, they signed the aluminous earth-aluminum agreement which has great significance, and which expired in 1980. The agreement had been extended twice since, and at present negotiations are on the way to extend the agreement until the year 2000. In 1966 the two governments signed an agreement concerning the construction of the Paks Nuclear Power Plant. On the basis of the agreement it may be expected that in the 1990's the Paks Nuclear Power Plant will have two additional blocs, each having a 1,000 megawatt capacity. In 1968 an agreement was reached in regards to the manufacture and delivery of certain auto parts in exchange for fully assembled cars. In 1976 the agro-chemical agreement was signed. Our country satisfies a decisive part of its raw material and energy resource needs through imports from the Soviet Union, within that 78 percent of our domestic crude oil consumption, 41 percent of natural gas, 26 percent of electrical energy, 63 percent of pine lumber, and 25 percent of our copper consumption.

On the basis of approximations one can say that the purchase of the Soviet imports from capitalist countries would have required payments of 20-30 percent more than what we paid to the Soviet Union. Accordingly, the individual price advantages were significant despite deteriorating exchange rates. This too must be taken into consideration along with the known fact that beginning in 1975, responding to the effects of price explosions experienced in world markets, a significant exchange rate deterioration took place. The 1975 price explosion exceeded the exchange rate deterioration by 8 percentage points, and caused a further 10 percent deterioration during the subsequent 5 year period. The second crude oil price explosion produced a 12 percent exchange rate deterioration between 1981 and 1985. As a result of this, according to some calculations, between 1972 and 1985 we suffered an accumulated price loss of about 8 billion

rubles in the Hungarian-Soviet relationship. Hungary offset the price loss by way of excess deliveries, by reducing part of our imports of carbohydrates and of machinery, and through financial maneuvers and new borrowing.

In the future we must count on variations in exchange rates, and on the continued worsening of procurement conditions. It is our unchanged, fundamental interest however, that the secure supply of energy and of raw materials remains the corner stone of our cooperation.

At the same time the Hungarian economy has an opportunity to market its products in large volumes in the Soviet market, along with a fundamentally favorable merchandise structure. In 1986, 44.4 percent of our completed export transactions with the Soviet Union covered products having the character of machinery. Considering our total exports paid for in rubles, the ratio of machinery is the same, in exports not accounted for in rubles it amounts to 12.8 percent. Products having the character of machinery constitute 10.3 percent of our imports from the Soviet Union, 19.3 percent of imports payable in rubles, and 13.5 percent not payable in rubles. Quite naturally, the merchandise structure that has evolved thus far is not a once and for all given structure, and as the function of the internal developments of our economies one must realistically count on changes in that structure. This also means that Soviet market demands will continuously increase, only those products which are more modern than those of today—including machinery—will be saleable to the Soviet Union in the future; in lieu of such products, however, it will be possible to charge more than at present.

The significance of Hungarian-Soviet economic relations is also manifested by the fact that the Soviet share of our foreign trade stood continuously around the 30 percent level, and its value amounts to one third of the Hungarian gross national product. Viewed from the other side: although differences between the two countries are not negligible, nevertheless we are an important trading partner of the Soviet Union. Nothing proves this more clearly than the fact that in terms of trading volume we rank fifth among countries trading with the Soviet Union. For many long years the Soviet Union has purchased 80 percent of its imported buses, about half of its canned vegetable and fruit supplies, and about one third of its pesticides from Hungary.

As the aforesaid also indicates, in regards to the perspectives of further developing economic relations, more favorable opportunities than before are evolving in the political sphere to render our cooperation more modern, and more efficient. At the same time transformation and social renewal which is significant in both countries represents a long-term task requiring much work. The peculiar feature of this period is that paralleling transformation and the demolition of internal obstacles that stand in the way of renewal, we must confront significant problems also in the economic field. We find that in

Hungary, in addition to some fundamentally internal causes and slow adaptation to changed conditions, the deterioration of the external economy contributed to the fact that the conditions for socialist construction became more difficult. On the other hand, the Soviet Union too is struck by changes in its external economy; reduced crude oil prices alone resulted in a reduction in price intake of 13 billion dollars.

Nor can we disregard the circumstance by which the present period of our bilateral relations places greater demands on both countries also in objective terms; also as a result of an increased emphasis on qualitative requirements the conditions of economic cooperation became more stringent. The economic situation, transition to the new phase of cooperation demand solutions that differ from earlier ones. There is a need for mutual understanding even if there are bumps and difficulties despite a political will that endeavors fruitful cooperation, bumps and difficulties which relate to the survival of old patterns and to an improperly phased adaptation to the new economic environment.

It is the present situation's peculiar feature that the opportunities to expand traditional merchandise trade have been virtually exhausted. The fact is that in their essence, Soviet energy resource and raw material deliveries cannot increase, and therefore no longer represent a dynamizing factor in merchandise trade as they did before. The path of further progress is marked by the introduction of new, science intensive products, by the development of cooperation in production, by direct enterprise cooperation, and by the broader application of other, contemporary forms. Such progress, however, cannot be discovered at the desired level neither within CEMA, nor in the framework of the two countries' relations. The consistent furtherance of reform processes in our countries will gradually establish the needed conditions for this. Quite naturally, this will not occur automatically either: state organs, and with them the economic chambers and the enterprises must do more in exploring market opportunities. We do not always recognize opportunities. This was well demonstrated by the Moscow exhibit organized on the occasion of the 70th anniversary of the great October socialist revolution: in the Soviet Union too conditions for producing higher quality products are improving, including the manufacture of machinery, and this touches upon the relations between the two countries. Nevertheless Hungarian interest in this exhibit was smaller than what would have been justified.

The exploration of more efficient methods of cooperation are made more difficult on both sides by our economic concerns, but it is our mutual endeavor to achieve that temporary problems not hinder our further search for a path, and that we consistently proceed on the path we embarked upon. Hungarian-Soviet economic relations thus could play an important role in increasing our national income and production in transforming the structure, and in the establishment of an internal and external balance.

Between 1986 and 1990 the value of correlated, mutual deliveries amounts to 51 billion rubles. Hungarian imports are on the increase, their annual growth rate exceeds 2.5 percent. Our raw material and energy resource imports from the Soviet Union continue essentially at the 1985 level. Natural gas and pine lumber imports in exchange for agricultural products, alternatively in the framework of the Jamburg Cooperative Project increases. Pursuant to the intergovernmental agreement ratified on 30 December 1985, Hungary participates in the construction of the Jamburg natural gas pipeline. Hungary extends credit worth 758 million rubles at a 4 percent interest rate. She also delivers merchandise valued at 500 million rubles, and performs construction work in Tengiz (Kazakhstan) worth 260 million rubles. Of this, 130 million rubles worth of labor is performed between 1986 and 1988, while the remainder will be performed between 1989 and 1991. The Soviet trading party will begin making installment payments on the value of construction and assembly work, as well as on merchandise deliveries in 1989, including interest payments. Beginning in 1989 [the Soviet trading partner] will deliver 0.5 billion cubic meters, an amount which until 1992 will increase annually by 0.5 billion cubic meters reaching 8 billion cubic meters. Following 1992, and until the year 2008 deliveries will continue at that level. [Translator's note: the forgoing two sentences do not indicate what material is to be delivered, but the subsequent sentence suggests that the volumes expressed in cubic meters refer to natural gas.] Recovery of Hungarian investments at the people's economy level will be made ["ensured"] in the form of Soviet installment payments on the loan, and by the favorable price ["expense"] of natural gas which will be delivered over a 20 year period.

Similarly our aluminum imports will increase as a result of expanding the aluminum earth-aluminum agreement. In those days this greatly significant agreement enabled the intensive, efficient development of the domestic manufacture of aluminum earth and of aluminum processing, and relieved our people's economy from having to build energy and capital intensive aluminum foundries. As a result of cooperation, by 1986 our aluminum earth production increased by 270 percent, and the quantity of semi-finished aluminum products manufactured increased by 370 percent, as compared to 1962 volumes.

In order to ensure a secure source of supplies, Hungary has agreed to change her export structure, and to substantially increase the delivery of light industry and foundry products.

The fact that following the closing of the 1986-1990 plan coordination, and after having reached long-term trade agreements, our economic relations began to manifest trends that were different from those planned. This is also part of the picture, which is lesser known to our public opinion. As a result of global market price changes that took place in late 1985 and early 1986, preliminary

calculations indicate that there can be expected a Hungarian trade surplus ["assets"] of 1.6-2 billion rubles, rather than an even balance of payments as planned, lasting to the end of the decade, throughout the present 5-year plan period. In other words, in this instance the exchange ratios turned out to be unfavorable to the Soviet trading partner.

In 1986 and in 1987 Hungary and the Soviet Union agreed that problems of balance will be resolved through mutually acceptable compromises, while preserving the level of merchandise trade. They also agreed that by using opportunities implicit in Hungarian-Soviet economic relations they will assist in resolving the short-term tasks of the Hungarian economy, in preserving liquidity and in the long-term invigoration of the economy. The organs instrumental in economic cooperation performed significant work. The issue is on the agenda at the political meeting also, based on the demand that Hungarian-Soviet cooperative agreements be consistently implemented, while also taking into consideration the changing conditions. The two countries seek opportunities for the further increase of merchandise trade. Hungary, keeping in mind the need for a balanced expansion of merchandise trade, is endeavoring to increase its imports from the Soviet Union. (Even if accomplished, the increase will somewhat fall behind earlier expectations.) In 1988 the Soviet Union increases its deliveries of brown coal, natural gas, automobiles and some other products.

In several areas work has begun to explore supplementary resources, which individually have various values, but taken together amount to a significant item. The fact that the Soviet Union, within its convertible currency import possibilities, will effect payment in convertible currency for certain Hungarian products will contribute to the improvement of Hungary's balance of payment for non-ruble trade. Since the value of Hungarian meat and wheat deliveries in the framework of the so-called meat, wheat, crude oil and natural gas construction is greater than the offsetting imports, the Hungarian side registered an actual dollar income in 1987. In addition, last year the Soviet Union purchased 78 million dollars worth of food products, colza and sunflower seeds, and steel pipes, over and above the planned levels. Along with this arrangement, the fact that we were able to import certain machine industry products and other items for rubles from the Soviet Union helped improve our balance of payments. Otherwise these products could be obtained only from capitalist markets. From Hungary's standpoint it would be particularly important to increase our import of such materials, semi-finished products and machine industry products from the Soviet Union.

A number of proposals were made by the Soviet side concerning Hungarian enterprise participation in Soviet transactions involving third markets. In some areas substantive progress was made in this respect. More favorable results can be achieved through more balanced

work, if Soviet orders make better use of Hungarian manufacturing capacities. (From among the many types of endeavors, we must also mention the fact that following last October's meeting of prime ministers, the Soviet side offered to make supplemental deliveries of consumer goods in order to relax the buying up fever.) As determined during the 37th session of the Intergovernmental Committee on Hungarian-Soviet Economic and Technical-Scientific Cooperation it is a fact that despite significant efforts, the preparation of several recommendations is proceeding at a slower pace than desirable.

Specialization and the development of cooperation could play an important role in subsequent steps forward. The ratio of products produced under specialized cooperative agreements in 1986 represented 25.7 percent of Soviet exports to Hungary, and 15.2 percent of Soviet imports from Hungary. Work to extend the most important specialized cooperative production agreements for the period after 1990 is in progress. In addition, experts are working on a 15-20 year cooperative concept involving the two countries. It is certain that one of the prospective areas will be agricultural cooperation. The proportionate share of food and agricultural exports is on the increase; at present it stands at 16 percent. Given a better organization and by improving economic conditions, our two countries could expand cooperation in this respect to a tangible degree, thus contributing to the improvement of supplies and to a parallel reduction in capitalist imports.

Our countries pay greater attention than before to the gradual introduction of new cooperative forms. Thus far 116 paired Hungarian and Soviet enterprises developed direct relationships, and agreements concerning 9 Hungarian-Soviet joint enterprises have been reached.

The Soviet Health Care Industry Scientific Research Institute, Ritmus Scientific Production Association and Medicor enterprise already reached an agreement to establish Mikromed joint enterprise. The mixed joint enterprise will produce modern medical instruments by using microprocessors. During the latest session of the governmental committee on Hungarian-Soviet economic, technical and scientific cooperation six agreements concerning new Hungarian-Soviet joint enterprises were signed by executives of the affected enterprises. From among these, four will be domiciled in the Soviet Union, while two will begin operations with headquarters in Hungary. Among other items, the new enterprises will be engaged in the development of energetics installations, and in the processing of secondary raw materials and waste materials, the improvement and production of hybrid corn seed, the distribution of super hard tools and materials in Hungary, and with advertising activities in the Soviet Union.

The establishment of a new joint enterprise involving the Machine Tool Works enterprise and several Soviet organizations is in progress. Many kinds of benefits enure to the people's economy as a result of joint enterprises. In

addition to the advantageous use of capital from the standpoint of both countries, there will be an opportunity to manufacture new, high quality modern products which can be sold in third markets also. Quite naturally, other socialist countries and capitalist partners also may joint these ventures. Thus, cooperation serves the economic growth of both countries. Accordingly, all this is desirable from the standpoint of the economic interests of both countries, beyond the interests of the enterprises involved.

In addition to the above, progress is indicated by virtue of the establishment of 19 joint planning offices. Expanded relations are also signified by direct cooperation with four member republics designated by the Soviet Union (the Ukrainian, Azerbaidzhan, Moldavian and Georgian Soviet Socialist Republics). With joint efforts, these endeavors may produce significant reserves. Nevertheless the bulk of work is still ahead: business systems to serve new forms of cooperation, legal and organizational conditions including the use of national currencies in settlement processes, pricing and the order of material and technical supplies are yet to be developed, taking into consideration the peculiar features of internal mechanisms.

The forgoing describes primarily the parallels of the internal processes that take place in the two countries, and the problem of, and possible steps forward in economic cooperation. One hardly needs to emphasize that similarities in internal processes are related to similarities in approaches to international issues, meaning full agreement on part of both the MSZMP and the CPSU concerning the great significance in the world of the mutual interdependence that has evolved between the two countries, and concerning the fact that nothing is more important today than the avoidance of nuclear war, and the preservation of peace. Soviet foreign policy initiatives are favorably received in Hungary: politically conscious public opinion approves of the conception of satisfactory and mutual security, the primacy of the political, economic and humanitarian elements of security, and the willingness to compromise, the factor which made it possible to complete the first disarmament agreement of the nuclear age. And the approval of these steps one again relates to the conviction that along with an increase in our diplomatic activities, a more peaceful, relaxed international environment produces favorable conditions for the resolution of our internal tasks. Namely, these circumstances have assumed key significance today, and will become even more important in the future. The prevalence of long-range political interests will be enhanced if they are in accord with economic and other interests. Both sides must manifest a high degree of understanding in the course of reconciling momentary as well as long-term interests. We need solutions—and these are never easy to find—which respond to the specific issues of the present period, and at the same time do not conflict with the interests of the future.

There are many hidden reserves also in the modernization of the institutional system which serves the interest of cooperation. The circle of participants in the cooperative effort is growing, an increasing number of enterprises and institutions establish direct relations in the economic, scientific and cultural fields, moreover, everyday contacts made by citizens—in the course of mutual, individual travel—are also becoming more frequent. In this context it is worthy of mention that our endeavor to take part in the cultivation of the cultural and linguistic traditions of some 170,000 Hungarians residing in the foothills of the Carpathian mountains [a region called "Karpatalja"] was received by the Soviet Union's with understanding. (In Ungvar the establishment of a Hungarian institute has begun already.) Our conception which holds that as honest Soviet citizens the Hungarians residing in that region should contribute more to the strengthening of our friendship was found worthy of consideration.

The development of Hungarian-Soviet cooperation—resting on identical ideals, main goals and interests—is showing good results. Both Hungary and the Soviet Union attribute great significance to the continuation of high level contacts. In recent years, meetings between Janos Kadar and Mikhael Gorbachev were conducted in the spirit of full understanding and mutual respect, devoted to the endeavor of further developing cooperation. These meetings provided great political impulse to the building of relationships. This year, two members of the CPSU Politburo visited Hungary: head of state Andrey Gromyko (Gromyko's visit to Hungary in his present capacity was his first visit abroad), and prime minister Nikolay Ryzhkov. The frequency and regularity of these high level meetings indicates the profound character of these relations, and shows how strong the need for a specific, bilateral exchange of minds is. We are learning that these visits too contribute to the strengthening and improvement of our international position.

These meetings at the highest level of leadership play a role in the fact that forms of interest reconciliation and cooperation are expanding, subject to the consideration of historical opportunities and the needs of the two countries. The results achieved in terms of strengthening Hungarian-Soviet friendship, and in the development of bilateral political, economic, cultural, scientific and ideological relations are present in virtually every walk of life. Based on the experiences and on the lessons learned, we may rightfully say that our alliance, and multi-faceted cooperation with the Soviet Union is one of the primary external conditions of our internal development and our sovereignty. Today, our chances are better than ever before for our countries to open a new chapter in the history of cooperation, in the spirit of internationalism, confidence and mutual understanding, while taking into consideration the path we have traveled already, and the mutual opportunities that are available.

**Consensus, Hegemony, Equal Partnership,  
Socialist Pluralism Discussed**  
*25000212 Budapest SZAKSZERVEZETI SZEMLE  
in Hungarian No 5, 1988 pp 3-9*

[Interview with Academician Ferenc Pataki, by Istvan Kardos: "Political Consensus and Ideology"]

[Text] In recent years the party, the trade union and those who cultivate social sciences dealt heavily with the theoretical issues of the renewal of socialist construction, and thus with the condition and role of ideology in the life of society. How does ideology appear in social practice, in everyday consciousness? This was the topic of our discussion with Academician Ferenc Pataki, director of the Psychological Institute of the Hungarian Academy of Sciences.

[Question] Whether written or spoken, ideology remains a conceptual system without structure, unless it is transferred into human consciousness. How does ideology influence society at the various levels of social organization? Obviously not in a uniform manner. And yet, how do individual groups of society "acknowledge" ideology?

[Answer] We should start out by saying that even today, the meaning of the term "ideology" is extremely uncertain. This uncertainty can be felt not only in the course of philosophical discussions. On occasion "ideology" means the totality of social sciences, at other times it means the body of philosophy or classic marxist discipline (philosophy, political economics, scientific socialism), or perhaps the intellectual life of society. According to classic marxist interpretation ideology means the "false conscious" derivation of real conditions. The "false" adjective here refers merely to the derivation that takes place in one's mind and approaches reality, but one which is incomplete and under no circumstances mechanical. People always reflect and formulate their own existential conditions and situations on the basis of their partial and particular interests. Different interest relationships then necessarily distort reality. Wishes and desires are being projected upon reality, and people view that reality in the image of their own endeavors. I am convinced that this characteristic of ideology formulation is an unavoidable necessity. Ideology formulation processes within society are not like computer programs. They do not reflect detached, objective reality. They provide an image of reality through schemes of thoughts which have been filtered through the net of conflicting human interest relationships, as well as personal and group interests and concerns. Reality is not a simple "given" factor, we compose it for ourselves. In the end, ideology is a theoretical and conceptual tool in the possession of which we compose reality for ourselves, so that thereafter we may organize our social behavior accordingly. In Lukacs' terminology: ideology is an intellectual form in which an era, and the leading political forces of that era process the fundamental conflicts of the social situation, and process the image of reality and the future image which can be derived from it. Ideological

thinking represents thought at an extremely high level of abstraction. It would be childish to believe that every member of society grasps reality in terms of ideological categories.

[Question] Does the thinking of the average person become defined on the basis of so-called everyday categories of consciousness?

[Answer] During the 1960's and 1970's domestic and international marxist thought examined the many aspects of so-called "everyday state of consciousness." It plays an extremely important practical role. Members of society, as well as smaller and larger groups of society always directly live through their own working and existential conditions, they would like to understand those conditions, and would like to acquire for themselves the action possibilities that flow out of those conditions so that they can adapt successfully to those existential conditions. Nevertheless, in the background of all ideological thought we find massive, everyday consciousness. Characteristically, purely ideological transactions are linked to the social functions of the intelligentsia. But as soon as we examine individuals, such as a small entrepreneur, a foundry worker from Diosgyor just about to be dismissed, an educator from the countryside, or a cooperative member who cultivates his family farm, we find that their image of reality, of their possibilities of action necessarily become defined in the form of empirical categories. This empirical view of reality, one that is defined in terms of everyday experience and knowledge has no direct relationship, or no relationship that had not been transmitted, to ideological consciousness.

[Question] I think it frequently occurs that ideologues are inclined to view such false consciousness as totally detached from objective reality—virtually as if they had deprived ideology from its reality content—whereas Marx emphasized that false consciousness also has objective roots.

[Answer] Instead of using the term "false consciousness," I would much rather refer to "personal, subjective consciousness" that came about as a result of direct, everyday existence. Everyday consciousness does not raise the final philosophical issues, and does not deduct from those methods of interpretation for everyday existence. Everyday consciousness is inclined to link social phenomena to the actions and mistakes of persons, disregarding Engels' concept which holds that whatever takes place in society occurs as a result of millions and millions of tensions and cross-purposes. This applies to socialism also.

Society's symptoms of crisis, its severe difficulties, like the ones we are presently experiencing, are not the products of intentional actions. Quite naturally, behind such symptoms and difficulties we find one or another kind of subjective action, a mistaken or appropriate decision, small and great human talent, which is capable

of influencing social processes. But we would mislead ourselves if we were to emphasize only the falsehood of consciousness. It is a socio-psychological truth that people will conduct themselves according to what they consider to be reality. They do not act according to abstract ideological truths. They act according to what they believe is the truth. For this reason the average person's experience is not defined in philosophical and ideological terms, but rather in everyday language. Traditional elements, moreover prejudices provide strong coloring to everyday consciousness. The general lack of confidence in the institutional system and in the body politic is one such long-term prejudice in everyday consciousness. Mood factors are extremely strong in everyday consciousness. It is another hard fact in sociological teachings that confidence will diminish if dissatisfaction accumulates in the general feeling and general mood of society. This is not some secondary, negligible fact, because these mood factors will be built into the processes of society. They influence people's inclination to work, and their interest in public life.

It seems that there exists in Hungary a perception according to which somewhere, at a high level power center, ideology is being created, where ideological guidelines are being drafted, where ideological lectures are given at the Political Academy, where the teaching of marxism is going on, and in the end these teachings somehow seep down into everyday consciousness where they take the place of this soft, uncertain everyday consciousness. This is not so! The ideological processes of society are far more complex and compound. On the one hand, the ceaseless, daily reproduction of everyday consciousness goes on—together with all of the before-mentioned uncertainties, while on the other hand, theoretical thinking, historical-theoretical ideological work, the "theoretical exercise" continues, but these will either fit together or they will not.

Is it not true that people are sensitized and made receptive to ideological issue hypotheses by virtue of their everyday experiences? There is, for example that oft-mentioned future image. Doubtless, it seems as if today's Hungarian society had "ground up" its image and notion of the future.

[Question] Could this be perhaps related to pragmatic political practice and to the ideological interpretation deduced from that practice?

[Answer] Probably yes, in part, but I would be inclined to say that a given social phenomenon is never based on a single cause. I was always suspicious about single factor explanations. Close to 40 years ago, during the oft-mentioned and frequently condemned 1950's a peculiar situation evolved. The ideology of those days, which in many of its elements was demagogic, was almost symbolized by that certain "hen that lays the golden egg." It appears that at that time, while we severed our ties with the past, the present became virtually a parenthetical issue, and society was given an artificially created image

of a "happy future." It would seem as if today the reverse situation has evolved. Not unlike the wife of the biblical figure Lot, we are continuously turning toward the past because we know that a critical analysis of the past will cleanse us and will provide lessons for today. This of course is needed, and if we do it well, we may clear a path toward the future also. Nevertheless today it seems as if the past would devour the future image. Pragmatic policies have something to do with this, but in my view the everyday consciousness of millions of people is not occupied by this problem. One hardly meets a worker or a peasant who complains that "well, my future image was taken away by pragmatic policies and by the lack of theoretical reflection." Characteristically the issue belongs to the intelligentsia, and by now has become a theoretical definition of the problem as that has filtered through ideological consciousness.

[Question] Would this be the only explanation for the "confusion" in consciousness?

[Answer] Today's Hungarian reality has a general characteristic. Many delayed actions have piled up in the economy, in the political sphere and in regards to culture. For this reason today's ideological situation is like the river bank when the ice drifts at springtime, when blocks of ice pile up on top of each other. This is why within everyday behavior one finds that the feeling of uncertainty has gained extraordinary strength. This is so, because no one knows exactly what effects the various elements of the tax system will have in the end. Small entrepreneurs do not know what to expect, and therefore they rather close their shops or take long vacations. Also within the cultural sphere, in schools, and in the arts this feeling of uncertainty has spread rapidly.

[Question] Does uncertainty create neurosis?

[Answer] People experience the greatest difficulty in enduring uncertainty and what is incalculable. It is a law of psychology that our everyday conduct progresses in a peculiar field of uncertainty. We are dealing here with probabilities, as Lukacs so nicely explained in the introduction to his "Aesthetics," speaking of certain characteristics of everyday consciousness. We have some thought processes, tools and schemes by which we can deal with this matter, but if uncertainty becomes greater than what can be tolerated and estimated, and if one can plan only with some degree of certainty for tomorrow, and if that person cannot plan ahead for 6 months or 5 years, then this becomes psychologically extremely burdensome and causes neurosis.

[Question] Is this the only matter that affects one's future image?

[Answer] The uncertainties of the future image are nurtured not only by internal causes, but also by global processes. This is so because our world is becoming smaller and smaller. According to an interesting line of thought advanced by Freud, modern times struck the

thought processes of modern European mankind in three ways. The change brought about by Copernicus constitutes the first strike. We discovered that we were not the center of the universe. The second strike came in the form of Darwin's discovery: we learned that the human being was not a unique creature that stands out by itself, but instead is the product of evolution. Referring to his own discovery, the third strike came when we learned that the discovery of the subconscious shatters our faith in the strength of rationality, and in the controllability of our own actions. I would add a fourth strike, which in my view may be tied to our days: for the first time humanity is confronted with the idea of the finality of its own existence. This is so, because the prospects of nuclear war—and we can see the means of this on television day in and day out—have entered the everyday consciousness, and with this thought too, the human race is capable of destroying itself. This trauma of consciousness is supported by news concerning the destruction of the ecology, such as the anomalies of the forest at Monor and scores of similar incidents that can be seen.

The collectively threatened appearance of humanity's future in everyday consciousness is a factor in the internal uncertainties of individuals. Thus various developments form layers. Everyday consciousness usually does not approach these matters from the standpoint of ideology, but reacts to them mainly in the form of moods. Hedonistic lifestyles may be peculiar responses to this situation. Let us grab whatever we can today, as long as it is available, and let us grab those things eagerly, and consumption caters to these endeavors. Peter Veres called this phenomenon the "religion of enjoyment." Our economic difficulties however, stand in the way of practicing this religion, and this serves to accumulate new emotions, and new failures.

[Question] Let us discuss a very practical and mundane concept: the relationship of consensus to ideology. The achievement of this is the goal of every state power, irrespective of social systems. The more democratic a system wants to be, and the more democracy a system wants to ensure for its citizens, the more it will espouse the purpose of developing a consensus. Consensus comes about as a result of the acceptance of a common image of the future. Within ideology today, however, there is pluralism—the result of the lack of future image. In the interest of joint action, a government must achieve political consensus in the shortest possible time. How could this task be coupled with an ideology that is only relatively homogeneous?

[Answer] Thus far, I believe, all societies were pluralistic, notwithstanding semblances to the contrary. If we disregard the surface, we find that the Hungary of the 1950's was more pluralistic than today's reality. This is so, even though the surface of intellectual life and political conditions did not reflect that pluralism. During the decades following liberation members of old Hungary's ruling classes were still living here. They suppressed their views and their traditional ideologies, but they were present.

Homogeneity was only a semblance created by force, and it was part of the essence of Stalinism for the system to use ceaseless self-deception, apologetic illusions whenever discussion turned to social homogeneity.

Flowing, among other things, from the thinking, autonomous feature of human beings, people think in different ways in stratified, layered modern societies. Within these ways of thought we may discover characteristic trends, tendencies, and layers of general feelings and moods. Thus it is not surprising that endeavors and tendencies that existed in our society surfaced with increasing openness. The only trouble is that we did not find in time and in the appropriate degree the institutional forms of these tendencies, nor did we find their methods of expression and the new opportunities for dialogue. Thus, for example, the legal opportunity for multiple nominations has existed already when the last elections took place, but around that legal provision there did not come about in local communities a mechanism for public speaking and for the selection of leaders and "local politicians" which would surface the best candidate. One cannot simply "introduce" multiple choice elections if there is no authentic, autonomous local public life, in which local politicians emerge, and in which various views and endeavors are defined. Or let us take a look at that great wave, which manifests itself at present in the endeavors of associations and partnerships, in the organization of village houses, and in the separatist endeavors of administratively interlaced municipalities. We could mention the incited state of Parliament, and its transformation trends. All this amounts to no more than the realization of an earlier defined ideological thesis: marxism and the marxist-leninist party must occupy a place of hegemony, rather than a monopolistic situation. This long-standing concept of Gramsci's contrast exclusivity and hegemony.

To become hegemonic in a society is a brand new task. It assumes that there are partners around the hegemonic center—partners who are autonomous and independent. These are economic units, religious assemblies, autonomous social organizations. The deepest meaning of these things, however is that if the ideologically and politically hegemonic power is left by itself, because it does not perform its hegemonic role through dialogue with partners and in a broad alliance through the reconciliation of interests, then the hegemonic power itself will wither, it will become a formality and thus will lose its leadership role. A hegemonic political force cannot be imagined by itself, in a political vacuum. Under such circumstances the bureaucratic, centralistic dictatorial feature necessarily becomes characteristic. We are struggling today because we must give birth to a political structure in which the hegemonic role can prevail. This is in the elementary interest of the party also. The problem is caused by the fact that a political structural change includes many political risks.

[Question] Accordingly, the essential matter is that an ideology of hegemony cannot exist without partners, while partners will accept the ideology of hegemonic force only if they receive legal and organizational guarantees regarding their autonomy.

[Answer] Indeed, and this, in part, affects citizen rights also. Citizen rights constitute the embodiment of the guarantees for sovereign, individual existence. This includes associations, autonomous collectives, and other undertakings which accompany the expansion of the local sphere of movement. All this suggests that the hegemonic role places on the agenda with a compelling force the necessity for ideological and program-creative thought. The political center will suffer its greatest loss if it gets lost in daily tasks, and functions like a secondary state administrative apparatus. This is so because it loses the opportunity for strategic and program-generating thought, whereas societal consensus can come about only as a result of such thought.

[Question] So then, we have returned to the political sphere, to the issue of consensus.

[Answer] Yes, because the consensus that came about in the 1960's has by now run out of steam. Reserves of confidence have been exhausted, and so has the content of consensus. The 1960's consensus rested upon a few fundamental assumptions, such as a continuous increase in the standard of living, a gradual expansion of citizen rights to freedom, an increase in openness and the development of political democratism. In recent times, however, the seams that held public confidence and the general agreement together have come apart at several points, and for this reason "redefinition" becomes the most timely task. At present we need a new consensus, one, which in part holds an acceptable short-term solution to the present crisis situation, but also holds the answer to the question of "what happens thereafter?" In other words, a longer range, indispensable strategic way of thinking. Lukacs talked a lot about this matter in his last writings, and today we can see even better that this is the key issue insofar as the entire East European socialist world is concerned.

The task requires great intellectual effort, nevertheless this is what I see as the most timely task for the hegemonic political power center. For this reason we should be emphasizing more the issue of discontinuation and the disruption of continuity, than the elements of permanence and immutability. Today's people do not feel reassured by the idea of continuity, because it means the continuity of unfavorable facts of life. When in the 1960's and 1970's Hungary spearheaded social reform endeavors, this policy also contained a unique symbolic personal guarantee. At that time it was very important to stress continuity, in contrast to what took place in Romania, Czechoslovakia and elsewhere.

Things have changed now. Radical changes are taking place in the Soviet Union, and one way or another, the entire East European region is undergoing radical socialist reform. Thus, from our standpoint, an overemphasis of continuity has lost the real, as well as the symbolic, character it had earlier. We must confront new issues because the crisis symptoms also appear differently. Where was the problem of unemployment, for instance, even in the early 1980's? Where was the strong cutback in personal consumption? Would we have believed then that in the cultural and educational spheres, market, merchandise and money conditions would play such a great role? Whenever we discuss difficulties, tensions and contradictions we must keep in mind that these have assumed a completely new character. No longer do we experience the same tensions we were confronted with in the late 1970's and early 1980's. There are many who fail to recognize this fact and believe that they are talking about the same thing, except for a greater accumulation of already known and experienced troubles. This is not so! There have come about new types of social conflicts, which have placed the old conflicts too into a new context.

The chief content and core of marxist ideology is the classic form of marxism, this being philosophy and economic, historical and political thought, and the theoretical analysis of reality at any given point in time, in possession of such philosophy and thought. What we need is a more accurate use of the concept of ideology, a more accurate circumscription of its content. Only in reality can ideological thoughts prove themselves valid, precisely because ideological tenets are not biblical revelations.

Religions enjoy a more favorable situation because their control over theological thought is transferred to the transcendental. Lay ideologies, however, are shaped and proven in reality. Nevertheless social ideologies easily acquire a content composed of utopian elements. A difference always exists between ideological views on the one hand, and reality on the other—programs and reality are never identical. We can never fully grasp the reality of a given moment in ideological terms, a full grasp can be achieved only as a result of subsequent reflection.

[Question] Is this the vacuum we fill with authoritarianism?

[Answer] Yes, this is the vacuum what we fill in with authoritarianism, or by presenting our ideology rather than reality, and we confuse the two. This was the false tenet of both the Soviet Union in the 1930's, and of Hungary in the 1950's, because socialist ideological ideals are magnificent, except for the fact that they do not correspond to reality. The departure of ideology from reality in those years was clearly frightening. I will repeat: there is a necessarily contradictory relationship between reality and ideology; there is no direct correspondence between the two. Just as moral reality always differs from moral standards and from the ideal. The "exists" and the "must have," the "exists" and the "desirable," the "exists" and the "hoped for" never coincide. Ideology does not necessarily recognize this fact, moreover, on occasion it believes that ideology

must prevail in reality already on the following day. Alternatively, ideology will "lie" its way into reality, or will make reality look better, or will stylize reality so that it conforms to ideological tenets. Another reason why ideological thinking is needed is to ameliorate this tension, and to digest the difference. There is a tendency in Hungary to lay greater emphasis on matters identical, whereas from the standpoint of ideological work and practical politics the important thing would be always to recognize the extent to which everyday consciousness and ideological visions differ.

[Question] What is it then that lends social credibility to ideology?

[Answer] Ideology gains social credibility only in the historic perspective. Every ideology contains elements of faith—something we feel shy about. This is so because any ideological thought will borrow something from the future. Although our views concerning the future may assume the shape of conviction and of an outlook, they always contain certain elements of faith. I am not embarrassed about this. To the contrary, I believe we should consciously recognize this fact.

Lack of faith, and the wearing out and devaluation of conviction is one source of our troubles in present day Hungarian public morals, and serves as one factor that creates hopelessness and shortsighted thinking. We believe that reality is moving in the direction of modern socialist forms. We do not have guarantees for that however, because anything can happen, ranging from a cataclysmic international event all the way to a grandiose "Chernobyl." Even rational, down-to-earth, philosophically well-founded ideological thought carries this possibility.

It is an equally cheap, demagogic view to believe that within a few years one could materialize the results of our endeavors, as those were defined in ideological goals. From a historical perspective we are indeed aiming for a socialistic, humane society based on the concept of equal opportunity, but today, in the interest of accomplishing that, we must differentiate by strata and by accomplishments, moreover, we are increasing the inequalities. Ideologies of global historic significance, as that was recognized in recent years by the Chinese for instance, will be realized only in the historical perspective, and not within the life span of a single generation. This must not mean, however, that our system of ideals should not be made to function as a daily control, to be utilized as a standard and a yardstick in analyzing reality. The actual function of ideological thought, as perceived in the marxist sense, always rests on this kind of exercise.

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### Nyers on Need To Change Basic Ideological Tenets

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[Interview with Rezso Nyers, MSZMP Politburo member, by Istvan Kardos: "Ideology and Economic Policy"]

[Text] Politics is the most concentrated form of economics, according to Lenin's formulation. Economic policy and politics cannot be free of a determining ideological content, which also serves to develop a picture of the future. But these mutual effects are extraordinarily complex and are realized amidst changing circumstances. Is economic policy necessarily pragmatic, and how does ideology affect it? We talked about this question, especially timely today, with Rezso Nyers, member of the MSZMP Political Committee and scientific adviser to the Economic Science Institute of the Hungarian Academy of Sciences.

[Question] Ideology outlines a picture of the future of society and gives an answer, if not concrete, to basic questions; at least it provides a guide. You, as an economic policy maker—who regarded the implementability of the reforms, even when they were announced, as inseparable from profound social changes—what did you expect and what do you expect from the ideological renewal and how will it have a favorable effect on economic policy?

[Answer] Ideology is profoundly present—frequently unnoticed—in the minds of all those who think about society, state, nation, and people or even about the national economy, the world economy and the relationship of human groups to one another. The images people have formed about society are idealized in ideologies. The awareness of interests, sympathies and antipathies, are expressed in ideology, so it has a gigantic effect. On the basis of my experiences I think that ideology plays a greater role, directly, when it is mistaken or false, because in this case it not only affects people very strongly and visibly, tangibly, but also causes confusion and tends to hold back action. When the relationships of ideology and reality correspond, then ideology has its effect invisibly, so it is not necessary to cultivate ideology separately or disseminate it through a large apparatus.

[Question] Would it follow from this that things proceed according to their own laws?

[Answer] It really seems so. At such times the basic task is to develop scientific thinking, the continual building of an organic link between science and ideology, so that socialist ideology will continually accept the mature results of science. It is also its task to build the still open, unsolved questions of science into people who think ideologically, in our case who think in terms of socialism. Ideology should never constitute a closed world and it should not strengthen in people a way of thinking

which is inclined to accept something—often unconsciously—and not see the open questions and unsolved problems of the building of socialism. Ideology takes a wrong path if it is used to replace science and it becomes false if it breaks from science. In sum I would say that greater trouble derives, directly, from an incorrect ideology than how much abstract ideologizing can directly help in social action.

[Question] For a long time it has been said that property relationships are a central problem for ideology. Do you agree with this?

[Answer] I agree that it is one of the central problems and one of the sources for thinking from which many, many other consequences derive. But I do not consider it correct to conceive of the internal structure of forms of social property or its mixing with private property to be a power question. This is the wrong track. The form of property is not a power question, it is always determined by the orientation of the functioning of society. I recognize property relationships as a central question if we include the entire problem of the use of property. In this way, to what extent does it serve to satisfy social needs or to what extent is property used to realize certain interests?

[Question] So the problem of property relationships is closely interdependent not only with the realization of interests but also with the stimulation of interests?

[Answer] There really is a close interdependence. Property has ideological significance as long as it can be related to the concrete action of concrete people. When it is divorced from this it remains only a floating abstraction. It is characteristic that in Stalinist thinking, and even later in the trends of the neo-Stalinist period, an abstract property concept was used which established various levels among the forms of property. This very mechanical property concept regarded state property as the highest level. In itself this was anti-marxist and contradictory, for socialism and communism strive to transcend the state, and thus state property as well. State property was followed by lower ranking property forms. Stalin imagined that in the process of socialism the lower ranking property forms would gradually die out, would be absorbed into uniform state property. This doctrine, and falsely doctrine, concept, alien to life, continued to be realized in the Brezhnev period, after 1970. Such a conception of property is characteristically false, because we already see, economically, that a rational property structure can be built for society out of various types of property. This serves best the best possible satisfaction of the needs of society, in this way every stratum of society gets something from the economy. In this sense democracy means that property also must be democratized. That structure of property relationships is good which most effectively serves the broad satisfaction of the needs of people. As to precisely what ratio of various property forms is needed, there are no

laws providing a guide according to our present knowledge. It is the task of practical economic policy and of politics in general to find this ratio.

[Question] Can we say that social experience is the chief law in this process?

[Answer] Yes, social experience is something which interacts with ideology.

[Question] A few works appeared in recent decades in connection with the theory of value of Marx the theses of which contained a certain modification of Marx's theory of value. I think, however, that even today there is something valid in Marx's theory of value, in that it determines unambiguously the difference between simple and complex work in the value of work. Very many attribute ideological roots to the failure to understand or the ignoring of this problem. What is your opinion about this?

[Answer] In my opinion the problem, which is reflected in the undervaluation of intellectual work in socialist countries, is not rooted in marxist ideology. A different order of values or system for evaluating work than that used in socialist countries could be formed from marxist theory. In my opinion the root of this undervaluation is really political. In the first phase of the development of the socialist countries they get many supplementary resources from exploiting the intellectual capital available to them, so they are able to develop even without a material honoring of the quality of intellectual work. But they cannot continue this practice beyond a certain point.

[Question] Intentionally or not the ideological renewal awakens the curiosity of those dealing with futurology, those we now tend to politely call experts dealing with long-range planning. What link does future planning, forming a picture of the future, have with ideology?

[Answer] In my opinion one cannot form a picture of the future without an ideological clarification and an ideological foundation. I mean that in the final analysis ideology is international, and when people choose an ideology for themselves—or get one readymade—they are choosing among possible ideals. There are individual ideologies too, but they are usually fads. When people band together into parties they generally choose between the socialist and the capitalist ideology. Today—in my opinion—the bourgeois social model is also diversified, so it is not uniform, and neither is the socialist socio-economic model entirely uniform. Certain socialist values are applied in concrete socialist ideology in various ways. So in my opinion both ideologies are plural today. The expansion of the model assortment of socialism is having a beneficial effect on the world-scale competitiveness of this arrangement. Naturally the competition of capitalist and socialist ideals and policies is short- and long-range. If these ideologies are relevant, that is if they want to remain a determining factor, then they must

move toward a sort of integration, they need to be purified. So the meaning of socialism is that which defines it vis-a-vis capitalism. The goal of capitalist ideological thinking—liberal or conservative—is to set itself off from socialism. Today these two ideologies must define themselves vis-a-vis feudalism at most in the developing world, for there there are still tribal relationships in places. Both fundamental social ideologies must be able to define themselves vis-a-vis the unique social and ideological systems of the third world. At this time this is a source of great confusion in both cases. Today neither system of thought has succeeded in making itself entirely credible in the developing world. So forming a socialist picture of the future without taking stock of the competition with capitalism, without thinking about or in the best case predicting the capitalist picture of the future, is impossible. In this sense this is a profoundly ideological question. When I talk about a comparison with bourgeois ideology I naturally mean a settled form of it. For example, I am thinking of human rights there and here, of the problems of the relationship to nature there and here, or of the classical problem, the relationship to equality and inequality there and here, the separation of power from the masses there and here. A third ideology, the religious worldview, is still present unchanged in the contemporary world as well. This has an effect in our present life as a moral postulate. But this system of thought is inadequate because it almost entirely ignores the basic problems of society, such as class differences. It simply presumes and declares that society must stand on moral foundations. If I peel off the purely mystical elements of this ideology, which receive a great role in religious procedure, it immediately appears that this profoundly moral view is missing from capitalist, bourgeois thinking, but it is missing from the socialist as well. So the religions can shift in the direction of political-worldview neutrality. We must redefine ourselves in regard to this religious-moral world of ideals also.

[Question] Is there not something in this phenomenon which is a part of the alienation tendencies already discovered by Marx?

[Answer] Of course. I feel that the danger of a recreation of alienation is very real. Today, unfortunately, I feel that this phenomenon can be explained not only by the various social systems, as Marx probably hypothesized. Property, commodities, money and state also figure as alienation factors. This basic discovery of Marx is valid and true. But I also regard such an otherwise positive process as technical modernization to be a force producing alienation. It alienates because it inserts itself into relationships among people. This new, twentieth century phenomenon does not refute the alienation theory of Marx, which is still very timely and true, rather it supplements it.

[Question] An ideological approach always has a long-range character, while economic policy thinks in relatively shorter periods. Might not this asynchrony confuse the adaptation of ideology in economic policy thinking?

[Answer] This could be the parent of a contradiction, because economic policy is always necessarily maneuvering. It was a great error to simplify matters, to build the economy of socialism by laying the foundations and then always add something to it. We had hypothesized an undisturbed evolutionary process. We have now experienced quite strikingly that because of natural, market, world political and internal political relationships economic development is not simply building, it is also economic policy maneuvering. There are times when we must tighten the reins and times when we must loosen them. There are times for urging forward and times for holding back. Insofar as the ideology is wrong and does not presume such a maneuvering society but rather one in which the role of the state is one-sidedly exaggerated the role of social forces, of human groups and individual people is essentially limited to carrying out tasks received from the state at the end of which process people appear for the results. So if an ideology does not note that there is maneuvering and that the development of the economy and the economic results appear in parallel at several levels and that all this is the result of the combined effect of individual activity plus state activity then this ideology is a hindering factor. So an ideology supporting the development of socialism must make better use of self-administration. In a socialist society the prosperity of smaller and larger communities depends to a significant degree, if not entirely, on their own degree of organization, solidarity and correct recognition of the situation.

[Question] Can fetishizing the role of the state lead to the conclusion that development must be along a straight line? Can one ignore the shocks in social development interdependent with and accompanying unavoidable structural changes, that is the conflicts of development appearing on the market?

[Answer] Yes, it can lead to that, such an ideology was developed in the Stalinist period. To a certain extent it was based on the vision of Marx and Engels, but it tried to put this into practice in a very debatable way. It is well known that Eastern Europe did not figure in the vision of Marx and Engels as a sphere ripe for socialism. But neither can we say that the Stalinist idea which alienated people from individual activity was an adaptation for Eastern Europe of the marxist vision pertaining to the most developed capitalist countries. The market still had a role temporarily—if in a narrowing sphere—in social processes but within a relatively short time it was eliminated. In 1936 they announced that socialism had been accomplished in the Soviet Union. This was a relatively really short time, and they were thinking about communism for 1980. But the economic laws of the market had something to say in the matter. These factors never ceased to function in the economy, partly as a market “driven under ground” and partly as the influence of external markets, as a result of which they appeared as a balance problem.

[Question] The means of production were officially illegalized and removed from the sphere of trade in commodities?

[Answer] Yes, an officially illegalized market was created. Today the market has exploded into the thinking of people in the socialist countries, that is into our thinking. The late recognition of the market causes objective economic confusion. An open recognition of the facts also causes ideological confusion, like it or not, because a factor has appeared which for a long time we did not know what to do with and so even today broad strata do not know what to do with it ideologically. Many regard that which exists today as a phenomenon related to capitalism and ideologically this means that "we are bringing capitalism into the system." So this would be a socialism in which capitalist tendencies were realized. This causes infinite ideological and political confusion innumerable times. Whether this confusion hides in itself a positive future in which we will break on a mass scale from outworn concepts and create a new concept which, making it our own, we will use as an intellectual foundation encouraging development over the long term depends on our capability for intellectual renewal. In summary let me cite T. Ivan Berend who has said that the present value confusion surrounding socialism, state and market is actually a positive value confusion because it indicates that we have broken from something and from it a new value concept, a more modern image of society, can be formed on socialist foundations. In my opinion too this is correct thinking, but I am not yet certain when and with what effect we will be able to use as a source for positive renewal this period of value confusion, which I can only regard in conjunction with the confusion which has taken place in material processes. I hope we will, but I do not know yet whether it will be now or later.

8984

### **More Political Openness, Publicity, Information Sought**

25000208c *Budapest MUNKA in Hungarian*  
No 6, 1988 pp 34, 35

[Article by Sandor Karpati: "Openness, Publicity, Information"]

[Text] "If we are not talking about something, then it doesn't exist": This is a mistaken belief, refuted many times over. "A liar is caught sooner than a lame dog": asserts the common belief based on experience, and it is correct.

Ever since people have been discussing politics (and, as we know, this has been for some time) there has been talk of openness and the problems of information. Nowadays, throughout the world, in the socialist countries and in our own country, an increased value is placed on publicity and the dissemination of information. Information becoming endowed with a fundamental value.

Why is there so much attention paid to the issue of social and political openness? The need to overcome our difficulties and the urgent need to introduce epochal changes make it necessary to re-interpret the issue of openness and to renew our system of information. There is no socialism without democracy. Socialist democracy is an organic element in modernizing the political system of institutions, and this, together with the consistent execution of economic reforms, is a condition for the implementation of our program for stabilization and development. It is logical and natural, therefore, that the re-evaluation of our openness and information system takes place simultaneously with the transformation of our political system.

The attitudes of turning inward, protesting and maintaining a sectarian isolation belong to the past. At the same time, absolute freedom and unlimited freedom of the press still belong to the world of illusions. A realistic position is that the surfacing of interests, the clashing and synchronization of differing demands, the solving of conflicts and the work of keeping the public informed belong on the stage of political openness. In socialism, people have a right to be informed of all decisions that directly involve them. Openness, honesty and professionalism in information are substantive elements in strengthening confidence between the party and the masses and improving the popular contacts of trade unions. Consequently, the accountability of every organization and supervisory body rests on the principle of providing valid and timely information. Ignoring this inevitably leads to serious consequences, because when it comes to information there is no vacation and no vacuum: If we do not speak of something in time, others will, naturally according to their own interests and goals. This is how stifling the news creates a negative backlash, and this is how delay, inconsistency and unpreparedness (can) add up to political defeat.

### **There Is No Vacuum**

As I have said, the role of publicity is growing, its framework is broadening and its content becomes deeper: it is, therefore, worthwhile to clarify its meaning. This is especially so since there are those who would like to pass us on the right, while others of the left would like to hinder the process of broadening publicity. We must not give free rein to anarchistic endeavors under the pretext of publicity, but we must also reject the notion, fed by stubborn fear, that sees a constant threat in the broadening and implementation of publicity.

Publicity is not simply information; it is more than that. Publicity and democracy are terms that are related to and complement each other. Democracy cannot be implemented without publicity, and the reverse is also true. Publicity is not only a measure to protect authority, it also legitimizes it. Where there is greater publicity, people have greater opportunities for voicing their opinions and speak out on issues concerning them, thus they are more likely to identify with policies, while at the

same time they are likely to have a better feeling and mood. This is how publicity becomes a forum, implement and stimulating force of democracy.

It is understandable that there is a growing demand for the broadening of publicity. And it is needed, too, because the citizenry, the trade union membership wants more than just being told about decisions, it wants to participate in the process, and influence it by making their own interests publicly known. We live in a society with fragmented interests. The confrontation between interests, their protection and representation, and the achievement of a national self-examination (the acceptance of the past, the discussion of historical issues, and the development of national consciousness) also call for publicity. Where should we develop our readiness to debate issues, where should we cultivate our political culture, if there is no opportunity, room and circumstances for the various opinions to develop and the alternatives to be introduced?

Thus, publicity does not represent largesse or acquiescence. Publicity serves our society by unveiling and making reality known; making the operation of our political system and the means for developing democracy open. Publicity is a system of communication in which the dissemination, exchange and conflict of various views is realized. Through the channels of publicity there flow the various pieces of information, views and statements of position from the political leadership toward the masses and from the masses toward the leaders of the party, the state and the popular organizations. Thus, publicity is an implement of control. Thus, publicity brings varying views and interests closer, develops toleration and political culture, strengthens identification, public consensus and active participation in the tasks of socialist construction.

However, certain necessary conditions must be met in order for publicity to operate properly. The decisive factor is the openness of political life. The open declaration and acceptance of policies and the openness of political decision-making create favorable conditions for the substantive implementation of publicity. There are many other necessary prerequisites as well: ideological, personal and technical factors, a stimulation of publicity, involvement in encouraging critical thinking and the development of professional expertise. Only this way can publicity become the source of creative energies, an implement for educating citizens who think and act in a responsible manner, a shaper of public opinion.

How far have we progressed in operating social and political publicity, and how do we judge the activities of the mass media? All in all, the results of evaluation are quite mixed. If we consider how far we have come, then we cannot deny that publicity has been broadened. Suffice it to mention the national debates, the changing tone of National Assembly sessions, the development of

governmental activities, the operation of the system of speakers, or the degree to which trade union activities have become accessible during the recent past.

#### Not Enough

However, we cannot be satisfied with the results already achieved, because publicity is lagging behind reality. Our social reality is much more colorful, complex and contains more contradictions, our public life is much more varied than is reflected by our publicity. The level of publicity lags behind both political and economic demands and the requirements of our society. The continuing development of the economic reforms and that of our system of political institutions, which includes the renewal of trade unions, all call for greater publicity. Today, social and political publicity evokes much less activity than necessary. For example, when it comes to the relationship between trade unions and state organs, there is not enough publicity concerning the process of negotiations, debates, differences of opinions and the formation of consensus. This is one reason why the independent image of trade unions is fading, their positions, proposed alternatives and solutions are not defined strongly enough.

In the recent past there has been especially severe criticism levelled at the activities of the mass media. No one appears to be satisfied. Party and state organs frequently assert that the image conveyed by the press, the radio and television concerning our social realities is inaccurate, unprofessional and creates a negative effect. Members of the audience, on the other hand, make the objection that the mass media remains silent concerning important issues and provides delayed information. The newsmen and editors also have their own complaints. They protest that some of the leaders still hinder the rapid and accurate communication of information and remains suspicious of workers of the press, and describe their own moral-financial rewards and working conditions as ungenerous.

In other words, we still have plenty to do when it comes to creating mutual understanding, forming partnership relations, strengthening confidence and improving the conditions of mass communication. All of this is also important because conditions of press publicity have a definitive role in the broadening and effective operation of publicity throughout society. And it is in the interest of our policy-makers to provide greater publicity, which is also irreplaceable in implementing the reform processes. This is reinforced by international developments, the transformations taking place in the Soviet Union, and the reform undertakings gaining force in the socialist countries.

Newsmen are not the only ones interested in social and political publicity. All of us are involved and interested in its development. Publicity is part of daily political life, agitation and propaganda work. Social publicity cannot exist without local, work-place and regional publicity.

What this means is that everyone must exhibit greater initiative and responsibility in assisting, within their own competence, the development of social publicity, in accordance with the increased demands and in the spirit of socialist commitment.

12588

### **Open Letter Announces Enterprise Withdrawal From Socialist Market**

*25000235 Budapest HETI VILAGGAZDASAG  
in Hungarian 16 Jul 88 p 8*

[Full text of letter by Adam Angyal, president, Ganz Danubius Ship and Crane Works: "Open Letter to the Minister." First paragraph is HVG introduction]

[Excerpt] On 1 July Hungary's socialist export regulations eliminated special state subsidies for the so-called strategically important quota products, without, however, annulling the delivery commitments specified in the 5-year international protocols. The leaders of the affected enterprises were so angered by the decision—made behind their backs but affecting their pocket-books—that the issue of socialist export subsidies which had previously been handled as a strategic secret, was openly revealed. One of them, the managing director of Ganz-Danubius, Adam Angyal, resorted to unusual means and decided to wage his battle with the government by utilizing openness.

"For Comrade Jozsef Marjai, deputy prime minister, minister of commerce, Budapest

Dear Comrade Marjai!

I am informing you that our Enterprise Council accepted my recommendation to the effect that our various manufacturing plants be organized so as to become independent, in order not to burden the other plants with their possibly unfavorable achievements. I was compelled to take this step because our enterprise's economic situation has turned critical, our operations may produce a loss, and because banks are unable to provide financing as a result of measures tightening the money supply. On the basis of my analysis I came to the conclusion that the state's approach to, and managing of socialist exports, and within that, exports to the Soviet Union, played a decisive role in bringing about this situation. For this reason I am compelled to call your attention, in your capacity as the highest state level director of this branch of industry, to the conduct which we must bear in regards to this issue.

We may establish the fact that as a result of the joint application of exchange rate policies on the one hand, and CEMA pricing principles on the other, enterprises which export to socialist countries receive in forints only one third of the value represented by the goods these enterprises export, and by the goods they import in exchange. As a result of state decisions, a well-defined

group of entrepreneurs is forced to accept low levels of earnings, irrespective of actual market conditions. The situation of these exporters is also aggravated by the fact that financial bridging and price compensation mechanisms designed to adjust domestic and CEMA price differentials are designated in political and mass communication vernacular as subsidies whose discontinuation is urged. As a result, we must withdraw from the socialist export market despite our obligations through interstate agreements. Our withdrawal from these markets, however, takes place not because we lost our customers' confidence or because demand for our products has dropped. We are withdrawing fundamentally as a result of state intervention. These policies are alien to the idea of entrepreneurship. In our case these policies are destroying an almost 50-year-old outstanding market relationship. From the standpoint of an exporting enterprise this may represent adaptation to the requirements of domestic regulations, an adaptation which nevertheless lacks perspective and is contrary to conduct that conforms with the marketplace. Aware of the situation of our enterprise, I am calling your attention to the damage caused to the Hungarian economy by the destruction of a huge market and by the counter-development of an industrial culture. I request that you use every means to stop the continuation of the processes described in this letter—processes of which you are well aware. I am certain the socialist assets that evoked the specific situation [we are confronted with] cannot be managed by holding back exports. It can be managed by macroeconomic solutions, primarily through credit conditions, in a manner to bridge the temporary tension, without forcing the actors in the marketplace, the entrepreneurs, to destroy their established positions. Delivery conditions established earlier with respect to CEMA markets are rather conservative anyway. They do not reflect true market conditions and customs, and thus, the lack of these conditions and customs (advance payments, installment payments, credits, etc.) further limit the possibility of resolving tensions.

As I indicated in the introduction of this letter, the losses suffered by our manufacturing plants which do not fulfill today's requirements will not be compensated with the performance of the rest of the manufacturing plants. I am convinced however, that this will enable us to align ourselves only with the actual wave of economic regulation, and not with the marketplace which measures real performance. We could accomplish this only if our earnings from socialist exports were accounted for at prices commensurate with world market prices, or with offsetting imports whose value represents those world market prices. Considering the fact that our manufacturing plants are producing for convertible exports also, our withdrawal from the socialist markets will limit our sphere of movement also in other markets, and will reduce the chances of structural transformation.

I request that you regard this letter as a large industrial enterprise's plea for your attention—a large industrial enterprise which, as a result of momentary economic

regulation has come into a rather difficult situation—one which accepts the task of restructuring, but at the same time recognizes that the process of restructuring lacks features conforming to the marketplace. Since in my judgment this letter represents not only the thinking of this enterprise, but also reflects broader public thought, I feel obliged to inform you that I will attempt to forward this letter to the mass media, so its contents may become known to the public.

Respectfully,

Adam Angyal

Budapest, 5 July 1988"

12995

### Political Scientist Discusses Power Sharing by Party

25000221a Budapest OTLET in Hungarian  
5 May 88 pp 12, 13

[Interview with Istvan Schlett, political scientist at ELTE Law School, by Ervin Csizmadia: "Dialogue on the Reform of the Political Institutional System"]

[Text] Istvan Schlett was born at Szilagynagyfalu in 1939. He graduated from the ELTE Faculty of Humanities in 1966. He majored in history and scientific socialism. He has been working at the Law School of ELTE since 1969. He started working at the department of scientific socialism, and after the establishment of the political science group he continued as a member of the latter. His main subjects of research are the theory of social changes and the history of Hungarian and universal political thinking. He acquired his Ph.D. in the subject of "The workers' problem in the history of the Hungarian political thinking." The treaty was also published as a book in 1987. Presently, he conducts his research in the history of Hungarian liberalism.

[Question] "Our country cannot remain in this situation," more and more people quote the first sentence of Lorand Eotvos's study, entitled "Reform." Also becoming generally accepted is the fact that the reform of the economic system by itself is not viable but requires a radical renewal of the political system as well. In this respect everybody, and even the draft of the statement of the party conference, considers the renewal of the party crucial from the point of view of changing the institutional system. You, however, speak about the change of the whole political system in many of your publications. Is this merely a difference of terminology or that of meaning?

[Answer] Of course, the reform of the existing political institutions (among them, the party) is necessary, but the question is this: Can the change be restricted to internal change within the party, i.e., is the reform of the party a decisive element of the reform of the whole political

system? I believe that those who think so do not take into account that the way the party operates today is a result of something. It is not the result of certain personalities' right or wrong evaluations of certain situations or right or wrong decisions, but the expression of the operation of the whole political system. In a political system like ours, the party simply cannot operate in a way other than it does. Therefore, I think that the internal reform of the party cannot be carried out without a deep reform of the whole political system. It is a telling experience that (in spite of the declared intentions) the internal reform of party was failed to be carried out in 30 years. It has always been impeded by the whole of the political system, the given state of the society. Thus, speaking not only about the system of political institutions but about the whole political system, I believe that the institutional system can change only if real self-expression and integration of society becomes possible.

[Question] It is obvious, however, that the key factor in the political system or in the institutional system is the party. The role and way of operation of the party is evidently one of the most discussed problems today. You can hear nowadays: the party has to get involved in politics. Why did this situation evolve when this demand itself is a step forward? Involvement in politics by a party should be considered natural.

[Answer] In the course of its historical evolution, this party changed from an institution representing the interests of certain classes to a monolithic and monopolistic power. In this sense,—i.e., in the sense of political sociology,—it cannot even be called a party since it does not represent partial interests but the whole of society. The single party subordinated the state and took its most important functions in the second half of the 1940's, and this has very important consequences not only for the state but for the party as well, since the party which operates this way is not really a party but a state-party. In certain aspects it retains its party characteristics, but the functions it performs are mostly those of the state and of a party.

This also results in that political fragmentation in Hungary does not appear between parties but between a strong state and society, which in reality is still unstructured and incapable of self-expression.

[Question] What does this lack of structure mean?

[Answer] It means that although it is obvious to everybody that we do not live in a homogeneous society, the divisions resulting from the difference in living standards and the plurality of interests and values do not translate into a real social and political fragmentation. Lacking this, the existing differences do not get organized in the form of a structure, the unstoppable intention of interest-representation takes individual forms

and relates to "raw" interests, and this leads to unfathomable and anarchic processes. Let there be no misunderstanding! Not only "below," but everywhere. The consequence is the low level of society's integration.

Theoretically, of course, there could be an integration ensured from above—but two things contradict this. One is the fact that the social subsystems—economy, politics, law—have their own logic, and none of them can impose itself on the others without serious consequences. The other is the divided condition of society, which resists the attempts of homogenization. I think that such a proposition can result only in a paralysis, in the infertile opposition of state and society. The only way to go would be an integration being built also from the grassroots level, or let's say, an organic integration.

[Question] So the two decisive factors of the political system, in a simplified picture, is the state-party and a society which does not get publicly organized. The last decades prove that these are two spheres operating according to two absolutely differing kinds of logic. It seems that so far there have not been successful attempts to bring them closer.

[Answer] They tried to solve the antagonism between the state/party and the society in two ways. One of them was the state taking over society. Hungarian totalitarianism in the beginning of the 50's was experimenting with this: It wanted to substitute political movements in place of society's own forms of movement. The other was transforming the state into a societal form, for example, the party subordinating the state. This, however, did not result in the state assuming the characteristics of society. On the contrary, the party ceased to be the representative of a defined group of society, i.e., the party itself became the state. The state did not become subordinated to society but separated from it, and allowed for the operation of only those mechanisms which were based on communication only from above.

On this basis, however—i.e., with making society like the state or making the state like society—the antagonism between the two spheres cannot be eliminated. A system of mediation should be established which would put an equally strong society beside a strong state. To put it in plain English, a broad system of two-way communication has to be created. A prerequisite of this that society be allowed to be structured and strong.

[Question] Many people fear this, since a strong society could result in the institutionalization of some kind of a political pluralism.

[Answer] In my opinion, political pluralism in the Western sense is not feasible for two reasons. On the one hand, because here the state can never be subordinated to society to such a degree as where the state does not have to be strong by tradition. On the other hand, because the subordination of the state to society now would clash with the claim for the monopoly of power of

a party looking into the future, and the enforcement of this claim would start a struggle which, I think, could not provide a way out for anyone.

[Question] It is a recurring theme of the reform proposals drafted recently that the only solution that can lead out of the present situation can be one that redefines the role and situation of the party and the relationship between the party and the different subsystems. Do you agree that the of the party's tasks and role have to be defined?

[Answer] Absolutely. For myself, I would call the system to be created a constitutional single-party system, the prerequisite of which is the consensus of the state and the society. It is also the interest of the strong state since it would have to relinquish only certain unrealistic goals; for instance, the one to extract abilities from the members of society which it needs for its own interests. For such a consensus to come about it should be accepted that the movement of society's forces cannot be limited. However hard politics tries to enforce its logic in all the subsystems of the society it can never really succeed.

[Question] What would the party retain of itself as it is today in the constitutional single-party system?

[Answer] A certain autonomy. For example, the possibility to make some decisions without the approval of society. Which are these? For example, the consequences of socialist orientation and belonging to an alliance. A presidential type position of a head of the state could be created which would guarantee the functioning of a strong state. The head of state would be appointed by the party, and he would have the possibility, for example, to veto the modification of the constitution. The essence is that the limits of a strong state should be exactly defined. I know people may say: If certain decisions are made without the approval of society that means renouncing the people's sovereignty. That's true; however, a constitutional single-party system would be an improvement compared to the present situation. Anyway, the people's sovereignty is very strongly connected to the creation of a civil society. So far the party has only formally been based on the sovereignty of the people; in reality it was legitimized rather by its ability to dominate the future.

[Question] So, from the point-of-view of the party the essence of the situation is that the party's domination in basic questions of the system could not be questioned. How could, though, a constitutionally regulated single-party system contribute to the organization of society?

[Answer] Three very important basic ideas ought to be translated into practice. One of them is the theory of limited political pluralism, which means that with the exception of the issues under constitutional prohibition all topics could be debated and different programs created. This limited parliamentary pluralism would be guaranteed by free elections, where only the subjects of the electoral campaigns would be restricted. There would

not be nominations in today's sense: all Hungarian citizens could elect and could be elected. If the party nominated its members for the elections, they would be subject to the same rules as the non-party nominees. The government could be organized on the basis of parliamentary majority, but could function only if it earned the trust of the head of state as well. So, it would have to be accepted both by the party (through the approval of the head of state) and the society (through its elected representatives). Those who say that the operation of such a government is impossible also say that no real social consensus can be created in Hungary.

The other basic principle is the possibility of the organization of autonomous interest-representing institutions and corporations. These could appear on the whole gamut of scenes (between regions, economic branches, men and women, etc.) and could confront each other and the government. It is very likely, though, that the autonomous interest-representing institutions would be able to resolve most of their conflicts among themselves.

Finally, the third basic idea is self-government, which is directly linked to democracy. I think this would be possible primarily in the case of residential and workplace communities. It is obvious that decisions affecting the whole of society cannot be made by the way of direct democracy or only in exceptional cases. The plebiscite is a very important means but, of course, it cannot be used in every case.

[Question] If I understand correctly what you said, I can see a picture of divided power. It is again a question which draws plenty of prejudice. The view which holds that the division of power results in anarchy and the elimination of progressive intentions is still alive.

The division of power is a decisive question from the point of view of the change of the political system. The self-limitation of power (and so of the single party) is inconceivable. All powers aim at having absolute power if they stand alone, in spite of having no such intentions. Power can be limited and controlled only by another power. Undoubtedly, they rival, but meanwhile they make compromises and agreements. So, the decisive motive is not confrontation but how they reach an agreement.

Such a divided power can develop in the relationship between the head of state and the parliament, the state and corporations and the state and self-governing bodies. Such a divided power should not be feared, should not be automatically dismissed, based on old reflexes, but should be constitutionally regulated.

[Question] How can we reach the stage of putting the political system on a new type of constitutional basis?

[Answer] In a bargaining process in which the participating parties take part and act based on different interests and reasons and have equal power. Kossuth said: Politics

is the science of the exigencies, of the existing things. Society exists just like the state does, even if it cannot throw in the same political means. It possesses, however, the power of non-action and this is a tremendously great power. It can impair even the best political ideas without spectacular confrontations if those were created without taking it into account. The bargaining process can only be a relationship and dialogue between equal partners. In this respect, the key of decision is in the party's hand: It has to acknowledge the beginnings of self-organization of society, the transformation and the needs of the public and the reorganization of civil society. I mentioned that a consensus is needed. Well, this can happen only if the party does not regard society and its wish to get politically organized as inimical. In my view, in a constitutional single-party system it is exactly the agreement between the political forces operating within the state and society that ensures constitutionalism. If there is no such agreement, then even the best constitution will remain meaningless.

13212

**Lukacs on Party Mood: Better, Not Stable; Expectations High**

*25000218 Budapest NEPSZABADSAG in Hungarian  
8 Jul 88 p 3*

[Interview with Janos Lukacs, Politburo member, by Denes Maros: "Changes and Expectations"]

[Text] The 23 June session of the Central Committee approved an action plan designed to facilitate the implementation of the position of the party conference. In the question we have put to Janos Lukacs, Politburo member and Central Committee Secretary, we wanted to find out how these decisions will impact on party life in practice. What kind of changes can be felt, and, even more important, what steps need to be taken to revitalize the party.

[Question] In a conversation we had a few months ago we were drawing some conclusions about the party debates that had been held at the beginning of the year. In connection with the revision of membership books we touched on the question of what had been done to strengthen party organization, and what the results of the ongoing series of dialogues aimed at reassessing the relationship of our party members with the party might be. How would you assess the outcome in the aftermath of the party conference?

[Answer] I remain convinced that the strength and unity of a party is not determined primarily by the size of its membership. A reduction in size may actually be beneficial, provided that it enhances the party's ability to act. What kind of changes has the party conference brought about? First of all, it has put an end to the erosion of trust and the deterioration of the relationship between the leadership of our party and its membership, and between the party and the masses. In the interview you have

mentioned I referred to one of the important lessons we had drawn from the debates, namely that the party membership had been quicker than its leadership in recognizing the need and calling for radical changes. It was this need that received recognition at the party conference. Both the positions taken and the personnel changes made were in accordance with the expectations.

Another direct effect of the party conference has been a noticeable increase everywhere in our party members' readiness for action. Our membership appears to have regained its sense of mission, if you will; there is less and less uncertainty regarding the main directions of our policies and the role of the party. This is the current situation, this is what we can expect. It is also one which is susceptible to changes in the public mood and which consequently is by no means stable. To put it more directly, if it should happen that the everyday practice does not follow the announced intentions, and if all we do is pay lip service to the decisions arrived at at the party conference, then before long our word will begin to lose its credibility and the situation will begin to deteriorate.

#### Long-Term Effects

So while the positive public reception of the party conference is significant, I consider its long-term effects to be far more important. For after this meeting we can no longer return to our old ways of thinking, to working as before in the areas of politics, public life, in the state and social sectors, or to treating new phenomena as we had in the past. I am not saying, of course, that this will happen overnight everywhere, but I can assure you that outdated thinking will sharply clash with our new mentality and will be subjected to broader social criticism. There is no question that had the elections in the trade unions and the Budapest Party Committee been held before the party conference, the outcome would have been different. The party conference has become the driving force and fermentor behind the drive to find democratic and openly discussed solutions to our problems. We are still faced with many obstacles and barriers, but the essential elements of the process are irreversible. It is no longer possible for anyone in the party or in our social organizations and state administrative bodies to make decisions as before, without consulting or engaging in a broader social debate with those affected. I cannot imagine how we could resolve collective issues without involving the public.

[Question] One of the legitimate concerns that had been raised during the party debates was that democracy within the party had been more limited than in the public sphere, despite the fact that it was the party that had been pressing for a more complete party democracy. Have you been able to resolve this inconsistency?

[Answer] Yes, but the party conference has helped to eliminate other inconsistencies as well. The Central Committee, the Politburo, the party membership and the rest of society have been united in their assessment of

our situation and in laying down the main directions of necessary change. I am not claiming, of course, that we have a complete unity of views; I am merely saying that the plans and ideas of our party leadership are not, and cannot be detached from the views of the membership and of our non-party members. The concept of democracy, whereby everything is democratic that is done in the interest of the majority—i.e., that as long as I am working toward improving the lot of the people, I am acting democratically—has given way to the principle that we must decide not only for them, but with them.

[Question] Getting back to the changes in the size of the membership: Since 1 October 1987, within only 6 months, the number of party members has dropped by nearly 60,000. Before the revision of membership books had even been discussed there had been a lot of predictions. Some had anticipated greater reductions, others had forecast less. Is there anything surprising in these data? Let me tell you about my own preliminary expectations: although only by a few percentage points, I had envisioned more basic-organization initiated resignations.

[Answer] These discussions occurred during a complex and sensitive period. At the same time they were instrumental in preparing a process that culminated in the decisions of the party conference, decisions that will determine the work and direction of our party movement. These debates took place amidst serious economic problems and tensions. They took place at a time when party members were confronted daily with questions about the party's responsibilities, and when they were compelled to espouse decisions which they played no part in preparing and which they were merely asked to represent and implement. They occurred during a period of eroding trust in the party and growing differences between the membership and the party leadership.

It is hard to tell what would have happened had these dialogues begun after the party conference. I believe that we would have had a different outcome. Not so much in terms of the size of the reduction as in terms of the reasons behind them. Now the party organizations would have the benefit of decisions arrived at with the participation of the party membership to help them determine critically and self-critically who is willing to represent the party's policies with conviction. Perhaps we would have fewer voluntary resignations and more initiated by the party organizations. Today—in my judgement at least—it is a little better to be a party member or to be in a party leadership position than it was six months ago. The political and social conditions have improved, and there is more care and trust. So far, however, this has not effected a change in our economic situation; our problems have not decreased, but the improved relationship between our party and society is bound to facilitate their resolution.

### Quick Action Needed

[Question] One of the recurring themes at the party conference was the need to give the party organizations more autonomy. Several of the delegates spoke openly about turning the basic organizations into forums for exchanging political views, calling for the broadest possible decision-making powers to help translate those ideas into action without constantly being ordered to do so from above. Yet what we see once again is waiting and hesitation. What stands in the way of autonomy?

[Answer] The waiting is partially justified. First of all, the position taken at the party conference was intended to serve merely as a guiding principle; its details have not been hammered out. Secondly, people are curious to see the new Central Committee and Politburo in action. They want to know if these bodies will operate differently, and whether or not they will work to encourage the process of dialogue before and during the party conference debates. I consider waiting a mistake only if those involved fail to use the time to look for and find their respective tasks. Shortly after the party conference the Central Committee tried to provide an example by setting out at its very first meeting to determine its tasks. Its plan of action, which is in close adherence with the main points of the conference's position contains not a single detail that would commit the county and lower level party organizations to doing anything.

The Central Committee is also compelled by the situation to act as quickly as possible. To ensure that change and revitalization do not degenerate into mere slogans, and at the same time to see to it that all of this is translated into noticeable improvements of our situation. For it does not matter that we are more open, or that we are giving democracy more ways to assert itself—although these are genuine values and achievements in themselves—if we cannot improve and increase the flexibility of our socio-economic practice and our own performance.

It is also obvious that change and revival cannot be expected to take place only on the national level. Political means must be used everywhere to assert the party's leading role. The local bodies also have the right to make decisions, and it is up to them to decide whether or not they want to take advantage of this right and accept the consequences of their decisions. For autonomy goes hand-in-hand with having to take responsibility and risks. It is impossible, even with the best of intentions and in the most perfect democracy, to make decisions that are always right in every regard, and even less so, favorable to all. Actual participation in the political and economic decision making process is not without risks. We must get accustomed at every level to the idea that our own fate is on the line, and that we might fail. Once we have declared that our basic organizations are autonomous, and that their hands are no longer tied, then we can also expect people to assume decision-making responsibilities and to allow the party membership and

the social environment to become involved and to demand accountability. Making decisions of national importance by taking into consideration the outcome of social debates is only part of the process; the leading office holders must also bear personal responsibility. Local practice cannot be any different. On that level, too, we need to have involvement, openness, etc.

[Question] The question is how capable these local bodies and apparatuses are of living up to these expectations. It is not easy for anyone to break with the established routine, particularly if he also sees it as a threat to his own power and position.

[Answer] Also contributing to the uncertainty is the fact that after having arrived at some important decisions, we are now in the process of examining their impact on everyday practice. We still do not have an answer to every detail. It was much easier to call for a change than it is to implement it. The new mentality is confronting us with different problems everywhere. So it is not just a matter of declaring that we should break with the past, or to be more precise with those things from the past that have become outdated; we must also find the solutions and the people who can implement them under today's circumstances. The party apparatus has received a great deal of criticism for placing itself above its component organizations, and that it has monopolized these organizations areas of jurisdiction. If we get bogged down at trying to "scale back" the apparatus, we will not even have completed half of what needs to be done. I should add here that the criticisms levelled at the apparatus are also not without exaggeration. What we should really concern ourselves with is finding out what our elected bodies are like; who joins them and how; whom they are responsible to; how they function; how they make decisions; what mechanisms they use to arrive at those decisions, and how openly the given organization operates.

### Without Central Regulations

[Question] The party conference also decided to overhaul the party's election system, and the Central Committee has put you in charge of the working committee tasked with preparing a draft proposal. I assume that in the course of your study you will be looking for answers to the above questions.

[Answer] Yes, the proposal will be presented to the Central Committee after a party debate. The delegates to the 14th Congress will be elected according to the new election system, and it will be the congress' task to put it in its final form. We do not, however, have to wait for the congress to convene in order to start revitalizing our party organizations. Let me add right away that the county party committees have already begun to review their activities. I was recently at one of the sessions of the Komarom County Party Committee where they also elected new party committee members and said goodbye to some old ones. There are no central regulations

that would prescribe the kind of make-up or action plan lower level organizations and party committees must have in order to be able to function. The only central demand—and I want to stress that this demand was formulated at the party conference on the basis of the pre-conference debates—is that the party fulfill its leading role, and that we effectively work toward attaining our adopted goals.

[Question] If I understand it correctly, the Central Committee's decision to reevaluate its decisions and the activities of its working committees and collectives, and to establish advisory bodies are guidelines only to the extent that they call for the adoption of the most suitable forms and circumstances of problem solving and the county level and below.

[Answer] I do not believe that these decisions could be interpreted in any other way. What does the Central Committee wish to achieve? The election system and the organizational bylaws are in need of revision. The convening of the party conference was the most recent occasion for us to see how very superficially its tasks and scope of activities were treated in the organizational bylaws. To be included in those bylaws is a description of the manner in which we would like party members to represent the party's policies in our social and mass movements, associations and elected bodies. Should there be communist fractions, and if yes, what should their functions be, etc.? Also to be decided is what kinds of work collectives should operate alongside the Central Committee; is there a need for new ones, and how many of the old ones should be kept? The advisory bodies—at least this is the way I see it—could be given a role in the preparation of decisions.

[Question] Does the party membership have a say in all this scrutinizing? Can it make suggestions?

[Answer] The work committees have a wide range of interest and are happy to listen to anyone's suggestions. I do not know how many and what types of work groups and advisory bodies will end up operating alongside the Central Committee. Nor can I predict whether or not the lower level party organizations will establish something similar. One thing, however, I can tell you for certain: none of these bodies will, or can be formal. We do and will always have enough things to discuss.

#### Closed and Continuing Debates

[Question] Are you saying that encouraging debates and allowing opinions to clash have become integral parts of party life? Are there any issues at all that could be considered to have been resolved since the party congress?

[Answer] As far as the basic issues are concerned the debate can be considered over, keeping in mind that the congress' position cannot be expected to apply for ever. What kinds of issues do I have in mind? The need for

radical social and economic reform; the revitalization of the party, and the modernization of our system of political institutions. We have already agreed that these changes are necessary. What we want are not self-serving debates but discussions that will enhance the preparation and implementation of political decisions. The debates, incidentally, have not become regular because we have decided to make them regular, but because bringing various interests to the surface, allowing them to clash and perhaps to integrate would be impossible to imagine without them. And in our society we have a variety of interests asserting themselves which also surface in the party, for the party cannot remain intact or isolate itself from society; its members are motivated by the unique characteristics of their respective classes, strata and generations. I believe that socialist pluralism—which we often talk about without knowing the exact meaning and practical applicability of the term—is simply a manifestation of the multi-faceted characteristics of our society under socialist conditions, in our case, within the framework of a one-party system. And because in confronting the issues facing us we must arrive at decisions and take certain actions that require compromise—in other words reconciliation of interests—it is obviously impossible to allow every interest to assert itself; hence we will unavoidably end up with minority views and opinions. These were present before, but we were not able to handle them very well. We have been content with simply insisting that outside the party forum party members not voice views that would be contrary to the accepted party decisions, and that they carry out those decisions.

[Question] I might add here that in some cases the membership could hardly have known whether or not a given decision had been a reflection of the majority will.

[Answer] This is because there was no, or only limited, involvement of the public. I do not believe, of course that we need to publish the minutes of every single organizational meeting, if for no other reason, to avoid drowning in the flood of paperwork. We must ensure, however, that party members, and in those cases where they are also affected non-party members as well, receive every important piece of information. Again, I am not thinking simply about the sessions of the Central Committee. I should add that dissemination of information is not the only reason why we are encouraging more publicity; greater openness, we feel, is also the basis of societal control.

[Question] I believe that our definition of publicity and information is still much too narrow. It is certainly a significant improvement to see that the party organizations no longer meet behind closed doors; that with the help of the media and other means we have a lot of information available to which we had no access before, and that the pre-conference debates had reached the party leadership without having been touched up. In other words, the upward and downward flow of information, even though still not perfect, is gradually

improving. If, however, we look at the many movements and associations that are being formed one after the other, and the fact that in a single city there may be several dozens of communities then publicity can also be seen in a different light. In other words, there are many things happening at, let us say, the same "level," which cannot be fit into our vertical information structure.

[Answer] I think there is more to this question than just simply informing people. We have to consider the inter-relationship of all these things, how they work together and side-by-side, and how they affect one another. We are talking about the renewal of the party, but it is clear that what is happening in the party will also have an impact on all of the components of our system of political institutions. The democratic character, openness and sincerity of the party, I believe, will precipitate the necessary reaction from all spheres. While we are pressed for time, and our party and society are awaiting tangible results, we also note to show patience. Something that is genuinely new cannot have all of its elements prepared immediately.

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#### **Political College Prorector Views Party Policy Statement**

*25000204 Budapest OTLET in Hungarian  
2 Jun 88 pp 50, 51*

[Interview with Jenó Andics, prorector of the Political College, by G.T.K.; date and place of interview not given]

[Text]

#### **Biography**

Jenó Andics was born in Pesterzsebet in 1945. Graduated from Karoly Marx University of Economic Sciences in 1969. Taught in its Sociology Department, as assistant professor until 1978 and then as docent. Has been working since 1983 at the Political College where he is chairman of the Department of Sociology. Prorector of the Political College since last year. Became a candidate of sociological sciences in 1977. Wrote his dissertation on the social problems of technological progress. Authored several books and numerous scientific papers. Married, has one child. As a member of a working group of the drafting committee, helped to draft the policy statement at the party conference.

[Question] Four decades of our history have elapsed, and there are several party resolutions that are turning points: the Central Committee resolutions of June 1953, December 1956 or May 1968. May we include among them also the policy statement of the present party conference?

[Answer] A document per se cannot be included in this series. The value of the program contained in the document is actually determined by what processes unfold in its wake. If we start out from what Janos Kadar said in his report to the conference, and what also Janos Berecz emphasized as the chairman of the drafting committee—namely that the basic task can be summed up briefly in three words: turnaround, reform and renewal—then we certainly have to regard this document as one that constitutes the basis of a developmental direction which will make our socialism to date, and the practice founded on it, qualitatively different in the longer term. In any case, I would emphasize that documents in themselves do not solve anything if they are not converted into action.

The changes will assume the nature of a turnaround essentially in two respects: in redefining the party's role, and in qualitatively transforming the entire political system.

For this the document is a basis that can be converted into an action program. The action program must necessarily span a longer period of time even if there is a definite commitment to reform, because it follows from their nature that these things cannot be achieved in six months or a year. The policy statement merely points out a good many of the directions, and the concepts will now have to be elaborated. But this fact does not justify by any means the continued postponement of decisions. However, it does indicate that all this requires time.

[Question] Just as the Central Committee's 1966 resolution did in its time.

[Answer] Yes, in the sense that reform now extends to areas which the Central Committee's resolution did not embrace: to the party and the entire political system. But I wish to add that, in a certain sense, the present policy statement is not the same kind of milestone as the 1966 resolution was, for that document 22 years ago brought something qualitatively new to our entire perception of the economy and of society. On the one hand we have here a more consistent continuation of the economic reforms begun in 1966; and on the other hand, the reforms' expansion constitutes a turnaround.

[Question] In other words, the second phase is now beginning of the reform process started in 1966?

[Answer] Yes, I think so. A turnaround is now unfolding in reform mentality, toward recognition of the need to reform the political system's structure. This could start revitalizing entire society and could lead to a new consensus, to reinforcing a public sentiment that will be more healthy than at present. It will make possible welding together the interests of the Hungarian people and those of socialism, because cracks have appeared in this community of interests due to the postponement of necessary decisions.

[Question] This is why a crisis of confidence has arisen.

[Answer] Perhaps I would say that realization of the need for a turnaround has been late, and this has affected public sentiment. The term crisis reflects primarily this sentiment, and that is why I would be reluctant to attempt an analysis of this expression. The crisis has been warranted in the sense of reflecting public sentiment over the absence of a turnaround. In my opinion, however, it is pointless to continue speaking of a crisis. I would agree with the young contributor to the debate who said that it was all the same to him whether or not there was a crisis; the key issue was where we were heading.

[Question] Anyhow, as this was pointed out repeatedly at the party congress in conjunction with the question of responsibility, there has been a delay of three years since the 13th Party Congress. This view of the membership has been reflected also in the personnel decisions.

[Answer] It undoubtedly has been reflected. But although the party conference is too recent for a considered analysis of the personnel changes, I would like to add already at this point that an objective analysis, to be completed by the time of the 14th Party Congress as also the policy statement stipulates, will have to go much deeper than merely associating these negative phenomena with a few individuals. The voting at the party conference has not yet solved the problems due to which we have delayed decisions. These are primarily the problems of an overcentralized decision-making system, in which it is extremely difficult for the necessary changes to take place. Therefore I would emphasize not so much the drawing of conclusions regarding personal blame, but the fact that the voting, with also produced some surprises, has ensured the personnel prerequisites for the new program. Important, in my opinion, is not the question of "who has not managed to get in," but how the composition of the Central Committee and Politburo has changed. This can guarantee that an analysis of the past period will actually be completed.

[Question] Many people are of the opinion that a thorough analysis would be useful already now.

[Answer] The absence of an analysis will not necessarily hamper the measures to be taken in the next two or three years. A scholarly analysis is partially available already now: noteworthy studies have appeared on the causes of postponing the economy's restructuring, and on the negative effects of the overcentralized decision-making system or the close link between party and government. On the basis of these studies, it is possible to proceed with the reforms.

[Question] Practically every bit of the the policy statement's draft underwent change in its public debate over a period of several months, and again during the three days of the party conference. Where in particular did the wording tend to become sharper?

[Answer] Confrontation of the past became more critical. The sections dealing with the party and the political system were also rewritten more consistently than in the original draft. This is where it was clearly formulated for the first time that the direction of restructuring is toward socialist pluralism which is based on the party's leading role but presupposes also independent center of decision-making. A parliament that is able to take action, and a government truly able to take action. In addition there is also need for the active cooperation of associations and movements representing the real interests of citizens. The debate on the policy statement's draft also shows that the party has been transformed, within a short time, into a movement that debates and formulates alternatives. On the basis of the public debate's lessons, the delegates were presented a substantially better version of the draft, and more than 600 amendments were proposed in two days. The drafting committee considered every one of these amendments without exception.

[Question] The additions announced Sunday morning did not meaningfully alter the policy statement?

[Answer] Quite a few of these additions had been proposed also earlier, and the drafting committee made decisions on them. A few of the earlier proposals were accepted on Sunday, and the wording on the Constitution was changed. The text the drafting committee recommended initially spoke of the need to amend the Constitution. And then—on the proposal of Professor Mihaly Samu, who is urging the adoption of a new Constitution—the expression "the Constitution's modernization" was inserted into the policy statement, with the understanding that a very exacting analysis would determine whether the Constitution's amendment or an entire new Constitution was necessary.

[Question] Constitutional-law experts, particularly Geza Kilenyi and his coworkers, are fairly unanimous in favoring a new Constitution.

[Answer] These scientific results will also have to be weighed in the processes of deciding to revise the Constitution. This, too, will be placed on the agenda.

[Question] And the other sensitive issue, raised by Robert Hoch: the matter of drafting platforms within the party?

[Answer] I do not regard this as a sensitive issue. Perhaps we just have not talked much about these things up to now. There was debate on this also within the drafting committee. Seemingly it would have been simple to accept the principle of freedom to draft platforms, but it has to be thought through. And this touches on a number of other organizational questions as well. For example, how are the different platforms to be presented to the bodies of the Central Committee, and what is the difference between a platform and a faction? All this has to be regulated exactly. This is work that cannot be accomplished in a few hours. That is why it has been decided

that this too would be examined in future, together with the other necessary modifications in the party's rules of organization. The details will be worked out in the sessions of the Central Committee, and the party congress will make the final decision.

[Question] In any event the idea of freedom to adopt platforms is certainly new. It was quite unknown in the practice of the East European parties during the past half century.

[Answer] It will be possible to decide how new this is in comparison with the practice of other parties only when modification of the party's rules of organization actually reveals how effective is the freedom to draft platforms. In fact the Bolshevik Party recognized freedom to draft platforms even after the banning of factions (in 1921), but this ceased in the late 1920's, during the Stalin era. Freedom to draft platforms must be thought through very carefully. Every political party must be able to take action, which presupposes that contrasting views within the party do not paralyze the party's ability to take action. On the other hand it is essential that the party be capable of renewing itself continuously, and this can be achieved only through debate. These two sides must be reconciled. At the same time, I believe, the chairman of the drafting committee was right when he emphasized that what we needed in the present situation was not more platforms, but unity on the platform characterized by the triple slogan of turnaround-reform-renewal.

[Question] But it is not accidental that the idea of freedom to draft platforms has arisen.

[Answer] The objective reason is that in recent years we were unable to handle the contrasting views within the party, and the ideas of reform were able to break through only slowly. The absence of a turnaround strengthened the demand for platforms. I sympathize with the idea of freedom to draft platforms, but declaration of this principle will be complete only if we examine also its organizational prerequisites.

[Question] Several contributors to the debate, among them also Andras Kovacs and Csilla Jeney, spoke of the various voluntary social organizations and movement that have sprung up recently. The speakers urged that the party clarify its attitude toward such organizations and movements, otherwise the party membership would find itself in an awkward position.

[Answer] I believe that movements are being formed in Hungary. The basic prerequisite for their formation is unambiguous statutory regulation which states that every movement, every spontaneous organization, is authorized if it supports the Constitution, i.e., socialism. Therefore the movements must be regarded as partners, even though they happen to disagree with the party. Agreement must be sought based on the largest, rather than the smallest, common denominator. This country is being built by 10.5 million citizens, and not by party

members alone. The party's political leading role presupposes that its members do not isolate themselves from these movements but play an active role in them.

[Question] Who is to decide whether or not a movement supports the Constitution?

[Answer] This question cannot be judged politically, but the courts will have to decide, in my opinion. From this point of view I regard as essential the fact that political pluralism appears in the policy statement. One element of political pluralism is judicial law enforcement, where the courts can play an active regulatory role in the relations of citizens and organizations.

[Question] Can we regard as such constitutional movements the TDDSZ, the recently formed trade union [of scientific workers], and FIDESZ, the independent youth union formed not long ago?

[Answer] These I would not judge now on the basis of what has been formed. Essential, in my opinion, are the reasons for their formation. The new organizations have been formed because the trade unions, and in part also the KISZ, have proved too cumbersome and unable to adapt to the tensions generated by the new situation. Therefore the question, in my opinion, is not whether there should be an independent trade union, but renewal of the trade-union movement. If a trade-union movement truly represents the interests of its members, then it does not make sense to form one more trade-union movement. I interpret the efforts to form independent trade unions as criticism of the present trade-union movement. Both the trade unions and the youth movement must formulate the tasks of their renewal themselves. Without this society's renewal cannot be complete.

The FIDESZ phenomenon also reflects the fact that, within the existing youth organizations, youths have been unable to find answers to their pressing problems in recent years. But, in my opinion, not even under socialist pluralism could organizations wanting to act as parties be regarded as constitutional movements, even if they were to appear in the guise of youth movements. Here again, however, the struggle must be waged for something (to win youths over for socialism's goals) rather than against something. This can succeed only if youths are able to actively participate in shaping and renewing a qualitatively different socialism, and if they find a constitutional framework to organize for this purpose.

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**New Politburo Member Ilona Tatai Interviewed**  
25000209b Budapest HETI VILAGGAZDASAG  
in Hungarian 11 Jun 88 pp 4-6

[Interview by Ivan Lipovecz: "In Position"]

[Text] Biography: Born in Budapest, 1935 Ilona Tatai comes from a worker's family. Since 1959 she had been a worker at the Taurus Rubber Plant Enterprise. Initially

she was a physical laborer. Following her graduation from the chemical engineering department of the Budapest Technical University in 1962 she became a plant engineer, and later a plant manager. Between 1965 and 1968 she held a state scholarship in Leningrad, where she acquired the title of chemical sciences candidate in 1968.

In 1970 she transferred to the Taurus Tire Factory. Between 1971 and 1975 she served as technical deputy to the plant manager. She was appointed president of the Taurus Rubber Plant Enterprise on 12 November 1975. She has been a member of the trade union since 1959, and of the party since 1965. She has been a member of the presidium of the Hungarian Economic Chamber since 1983; at present she serves as one of the vice presidents of the Chamber. Since July 1987 she is a member of the MSZMP CC, and since the May 1988 party conference a member of the MSZMP Political Committee.

Her husband, Adam Szilas is president of the Szenzor Management Enterprise.

In 1988 Ilona Tatai was awarded the State Prize in recognition of her developmental activities and work in the rubber industry.

[Introduction] For the first time, an industrial enterprise leader was elected to serve on the MSZMP Political Committee, the highest body in the party hierarchy. Ilona Tatai, who for 13 years has successfully managed the Taurus Rubber Plant Enterprise would like to enrich the collective body's work by experience gained in everyday practice, by strengthening direct relationships between those who lead and others who are being lead, by accepting personal responsibility and through her accountability.

[Question] To what do you attribute the fact that you were elected as a member of the Political Committee?

[Answer] Not much was said about the economy at the party conference because party renewal and the development of the party's institutional system were of foremost concern, and all this in order that we can resolve our economic difficulties and problems. Since in this manner the economy, and within that, I believe, industry has come to the forefront, they probably thought that it would not be a bad idea to place a practicing enterprise manager on the Political Committee—one who personally experiences daily the problems and difficulties of the economy, seeks solutions, and is capable of correlating governmental actions with steps that are necessary from the practical standpoint. In other words: a person capable of providing feedback to the government and to the party leadership concerning real life implementation of the decisions made.

[Question] If this is the way you envision your role in the Political Committee, should that be construed as your viewing the Political Committee as a certain controller of, or counterpole to governmental work?

[Answer] I would not say counterpole. I would rather say what has been established at the party conference, namely that party work must be separated from governmental work. It is obvious, however, that the ruling party establishes economic policy strategy in which the economy must function. I believe that this has to be so not only in Hungary but also in every other country. In order to enable a leading party to establish an economic policy strategy however, the party requires very great professional knowledge, and it is this knowledge that I can enhance by virtue of my own entrepreneurial experience, I believe.

[Question] Accordingly, you recognize the primacy of politics over the economy. But to what extent can this kind of economic policy govern real economic processes?

[Answer] In my mind primacy means the determination of strategic trends. I have in mind here such strategic trends as the economy's export orientation, the openness of the economy, the definition of the humane goals of society, etc. Such strategic decisions must be made by the party. Practical implementation, on the other hand, must take place fully in the framework of governmental work. In my view the party exercises a certain control in regards to whether governmental work indeed follows the trend defined by established strategic goals. And insofar as these goals are not accomplished, and matters that were to be accomplished are not being accomplished, then, I believe, there must be a change in governmental work.

[Question] At the party conference Imre Pozsgay concluded his remarks by saying that "there will be Hungarian evolution." This appears to be a very nice slogan, but you, for instance, in what do you see the guarantee for such evolution? Where should work begin so that indeed there will be evolution?

[Answer] The first and most important matter is to establish realistic goals. Many say that it was visible already in the period preceding the 13th party congress that the goals set at the congress could not be fulfilled within the established time frame and at the established pace. In my view the problem is that the goals were declared and not debated. Thus far we have not followed the practice of involving people, of democratism, of openly stating the problems and of debating. I view the starting of this process as most important.

[Question] It is apparent that every single decision, irrespective of whether they are reached within government or at the strategic level of the party, must undergo real life testing, and if we are talking about the economy, it must withstand the test of the marketplace. In your

view, should one realistically believe, and have confidence in the expectation that within the foreseeable future real market conditions will be established in Hungary?

[Answer] First of all, I believe that miracles do not happen, and that a truly functioning marketplace cannot evolve overnight. But there are a few steps which should definitely be taken in order to see clearly. The first and most essential task would be to attempt to establish uniform treatment with respect to the three markets—the domestic, the socialist, and the capitalist markets. At present the greatest problem is that these three markets function completely detached from each other, and regulations provide completely different treatments. As a result the Hungarian economy became fragmented—it virtually atomized. Strong and direct capitalist export incentives have emerged. This means that for instance today, from the standpoint of the capitalist market, the enterprise is interested in herding the sheep out of the country on its feet, while any sensible economy would want to market those sheep at the highest level of processing—let's say in the form of sheepskin coats. I am unaware of analyses—and I believe there are no such analyses—which numerically demonstrate that what we are doing now is proper, or that we could have an alternative economic structure.

I am not convinced whether by virtue of today's constrained measures we are not doing long-term damage. In the interest of better founded decisions we need more analysis and more debate concerning alternative solutions. At present it appears to me that everything takes place in response to our momentary interests, and responses to momentary interests generally end up in losses. Again, I learned this in practice at Taurus. What I have seen thus far is that goals are hovering somewhere in the distance, and that on the road to those goals we get lost so many times that reaching those goals becomes an increasingly distant expectation.

[Question] Actually the Political Committee, as the party's highest operational leading body, the body you have just become a member of, thus far played the role of some kind of a "super cabinet" in the political hierarchy. It demanded [the authority] to render decisions with respect to the most important issues, and if such decisions were not rendered by that body, to exert a definitive influence upon such decisions through position statements. In your view, will this situation continue in the future?

[Answer] Certainly not. The way I see it—and we met only twice since the party conference—this political committee endeavors to provide an opportunity for the free movement of the economy. Let's take for instance the corporation law. In this respect we must reexamine our previously professed ideology regarding proprietary relationships, and this has been accepted by the political

sphere. This also means that the political spheres provides a completely new sphere of movement for economic life. Among other matters I view this as the political task, and I view this decision as a political decision. As a result of this decision the unification and the most efficient utilization of cooperative, state and private property can become reality.

[Question] And what if private capital in itself gains strength within this entire construction, and let's say its share of national income production increases to 15, perhaps to 20 percent, in contrast to the 6 percent that is produced today by the so-called private sector? Will the political sphere continue to advocate that this is still a system based on socialist property?

[Answer] I cannot speak for the entire body, but insofar as I am concerned: yes, I can accept this. If we want to move the economy out of its present difficult situation, we must get accustomed to accepting what is new. We see, for example that the private sector can change in a far more dynamic manner than state enterprises—of course they are subject to a completely different set of regulations. I consider it very important that all kinds of entrepreneurial forms be subject to identical regulations.

We must place all enterprising at an identical level, and thereafter they must be treated as equals. I am convinced that as a result of increased efficacy there will come about great differences in wealth. We have talked a lot about this before. I also like the fact that such differences are being accepted by the political sphere, accepting the fact that large-scale differentiation will come about, while in earlier days the political sphere exerted its influence in the direction of equalizing wealth. In this respect too, I have accumulated countless experiences at the enterprise—there always manifested itself a strong intent to ensure leveling both within an enterprise and between enterprises.

[Question] The other day there was a public discussion—part of it was broadcast on radio. In the course of that discussion Rezso Nyers stated that "perhaps we achieved more than victory," and the plural clearly referred to pro-reform politicians and economists. Are you really certain that in the long run, the political sphere will act differently than it did thus far, or is this only a momentary situation, in which, if you will, the real reformers outweighed the pseudo reformers?

[Answer] I am convinced that this political leadership will work in the long term according to the present conceptions, moreover within the framework of a conception that is becoming increasingly modern. I am convinced that this Political Committee and this Central Committee will be able to quickly apply modern knowledge needed for political leadership. And the more this knowledge base expands, the easier will be the acceptance of change by the political leadership, and the easier

it will be to get rid of earlier constraints and dogmas. In my view, the door opened for the economy by the political sphere will be opened further.

[Question] Accordingly, you, as an enterprise manager, count on greater liberalization, and if this becomes an issue, as a member of a leading political body you will argue for and vote for greater liberalization.

[Answer] Yes. This is so because I am convinced that when new forms of enterprising evolve, there obviously will be some who become entrepreneurs because by virtue of their motivation they will catch up with the idea faster, and there will be others who will never be able to practice enterprise. This is how I see it: Enterprising will mean that some people will increase their wealth, but part of the increased wealth must flow to the strata which do not have entrepreneurial abilities. This is a socialist society which must provide subsistence and social security to people.

[Question] In order to launch a venture one needs more than just capital and a marketable idea. One also needs confidence. It takes a great deal of confidence for a person to invest his money and his knowledge in something, moreover on a long-term basis. During the past few days a lot was said about this problem of confidence, and these things were said with a negative preface meaning that there is little confidence.

[Answer] I experienced a great loss of confidence prior to the party conference at the time we debated our draft position statement. If it could be evaluated, I would now say that the process of losing confidence has come to a halt. Whether it stopped for a moment only, or for a longer period of time depends on how fast we can act. Accordingly, at present we need good actions, a series of good actions daily in order to establish confidence in the leadership. By now a part of the people is waiting, having taken a wait and see attitude. The question is how long they will wait. It is now important for the political and economic leadership to talk a lot to people, to tell them about the plans, about alternative solutions, that we debate, and meanwhile let some personal confidence evolve among us. We, the present holders of leadership positions must know how to accept responsibility for our actions, and to accept the fact that we can be personally called to account for our fiascos.

As for myself, this is what I feel: if I cannot successfully complete a task I have accepted, and I cannot provide what is expected of me by those who elected me, then I will have to draw my own conclusions concerning myself.

[Question] The present members of the Political Committee enjoy a great advantage. None of them were members of that body prior to 1985, and a majority assumed their posts in 1988. As a result, the mistakes of the past, if you will, do not burden you personally. But

the mistakes or bad decisions that have been made burden the party to which this Political Committee belongs. How could the lack of confidence in the party be brought to an end?

[Answer] One thing is certain: we are carrying tremendous burdens. Lack of confidence in the party itself, among party members, and then, society's loss of confidence in the party, and the heavy indebtedness in our economy. We must accept these burdens. We must do so with a sense of responsibility to resolve these problems.

The road we must travel is long and has many unpopular sections. Not everyone can end up as a winner, there will be losers too. But we must secure the agreement of society even to the numerous unpopular tasks, because without the agreement and the involvement of the people this task cannot be resolved. We must fight day after day for that confidence.

Our joint efforts will bring results if the willingness to act, manifested by the delegates at the party conference, can be turned into action.

12995

**SZOT Position on TDDSZ vs. TDSZ Stated**  
*25000208b Budapest MUNKA in Hungarian*  
*No 6, 1988 pp 4-5*

["On the Behavior of Trade Unions"]

The new situation that arose in building socialism, the democratization of social life, and the changes in economic life which exert great influence on the working and living conditions of the workers, also call for constant renewal on the part of our trade union movement. Our trade unions must renew themselves in order to continue effectively representing and defending their members' interests under the new circumstances. There are also increased demands for better representing the interests of specific trades.

A readiness to be renewed and the necessity to adapt to the new circumstances and demands were emphasized by the latest congress of Hungary's trade unions. This was expressed by a resolution issued on 26 February 1988, in which SZOT promises to promote and encourage every demand by the membership that serves the better representation of professional interests.

In addition to a renewal in the content of the unions' activities, and primarily because of the membership's initiatives, accelerated modernization efforts have also become noticeable in the recent months. Professional divisions, bureaus and special branches have been created within the various unions, in order to bring about improvements in more differentiated protection and

exploration of interests. Thus, in accordance with the members' desires, there is an added emphasis on professionalism, the specific interests of the various trades and professional autonomy.

Renewal has been especially rapid in several trade unions, such as the Union of Government Employees, the Union of Iron Workers and the Union of Teachers. The most intensive efforts have been made in the area of implementing more effective representation for the specific professional interests of those working in the sciences (researchers and employees). The reason for this is a complex one: One of its important elements is the relative deterioration in the working and living conditions of their scientific workers, as well as the government-announced budgetary cuts between now and 1990, which seriously affects workers in this field. The latter endangers the operation of several research institutes, and the employment security of individuals in scientific occupations. As a result, the opinion arose that the Union of Government Employees does not offer sufficient protection for the interests of its members and science in general.

In order to more effectively protect their interests, workers at research institutions and in scientific work undertook two distinct approaches. The decisive majority of members looks to the Union of Government Employees for more decisive protection of interests that would also better represent professional interests. Accordingly, as it has already been announced, the Union of Government Employees there will be transformed into an alliance, and within it the Union of Scientific Workers will be formed. In fact, this represents an acceleration of the process, began in 1980, which brought the creation of a working committee within the Union of Government Employees, and continued at the latest trade congress with resolutions concerning the creation of a scientific division and the transformation of the Union into an alliance. (Naturally, the opportunity for creating a division or even an independent union within the alliance network is assured not only to scientific employees, but to members of other trades within the Union of Government Employees.) The Union of Scientific Workers, an independent trade union affiliated with the Union of Government Employees, is planning to have its official formation to take place in June.

Another group of employees, consisting of no more than a few hundred individuals, is looking in a different direction for more effective protection of their interests. As early as last December, this group of scientific workers started pushing for the formation of a new, independent trade union, outside of the Union of Government Employees. Their coordinating committee drafted a set of ground rules, and sent them to the country's 2,000 institutions of higher education and to research facilities. In April they formed the Founding Committee, and on May 14, 1988, the inaugural meeting of the Democratic Union of Scientific Workers, operating independently of the Union of Government Employees, was held.

Simultaneously with announcing the formation of their Union, the participants at the meeting voted to accept two documents: The Articles of Foundation and the Basic Regulations. These documents do not clarify the relationship of the new union to Hungary's unified trade union movement, nor do they specify whether the new body wishes to operate as an independent trade union within the SZOT or as an alternative organization, entirely outside the SZOT. However, statements made by the new organizations seem to indicate that the latter is the case.

This is also implied by the fact that, even though the body declares itself an union of scientific workers, its Articles of Foundation, which could just as well be declaring a program, emphasizes that anyone can be a member who ascribes to the Basic Regulations, declares his intention to become a member and pays the membership fee. The new trade union accelerated its organizational work, and authorized its elected leaders to contact the unions of scientific workers in other countries.

The SZOT and the Hungarian trade union movement support the independent body organized within the Union of Government Employees, the Union of Scientific Workers. They do so because this organization represents the wishes and views held by a decisive majority of workers employed by scientific institutions. At meetings held in research institutions affiliated with the Union of Government Employees, about three-fourth of the members voted for this form of trade union. Hungary's trade union movement respects this majority decision. The SZOT supports this type of union also because it wishes to operate as a trade union, accepting the fundamental principle of the Hungarian trade union movement.

It is in the same spirit that the SZOT supports similar initiatives by workers in all other professions or trades for the establishment of similar organizations, because they offer broader opportunities representing the specific interests of professions in accordance with the membership's wishes.

As expressed in their resolutions and position statements, the Hungarian trade union movement, the National Council of Trade Unions and the presidium of the SZOT remains open to all initiatives which serve to improve and renew trade union activities, within the framework of socialist construction, provide more effective representation of interests and protect the case of organized workers.

12588

#### **Changes in Trade Union Practices To Be Clarified After September**

*25000208a Budapest MUNKA in Hungarian  
No 6, 1988 pp 1-3*

[Text] The party conference gave new momentum to economic and social reforms. It speeded up events. Radical changes take place in more areas of socialist

development than in the previous years and months. One of these occurred in re-evaluating the leading role of the party. This seemingly abstract issue is the impetus behind numerous practical changes. It even plays a part in speeding up economic reform processes, since it increases the authority, responsibility and, of course, independence of governmental organs and economic leadership, while also favorably influencing the social and political conditions for the future operation of labor unions.

What is the substance of this transformation? In the future, our society's leading force, the MSZMP, will fulfill its historical role as the supervisor of constructing socialism by employing its own specific methods in deciding questions of strategy, providing political orientation and exercising suitable control. It will not be responsible for the daily operation of the state, the economy and that of the social organizations. It will withdraw from daily practice, and create maximum independence for every economic and social organization.

The party will greatly contribute to the creation of socialist pluralism by implementing its conceptions and resolutions in the various areas of life through its working members, that is, it will not exercise direct supervision. Of course, looking at it from this point of view, the demand for party discipline (that is, the behavior according to which members are required to uphold party discipline, while being given the opportunity to express their opinions and objections freely and independently before party forums) is an important consideration. Moreover, in the course of putting a given resolution in practice, and finding that resolution in conflict with realities, they can initiate a process of review, and their request cannot be rejected without well-founded examination.

#### Using a New Approach

The autonomy of the state, the social organizations and the economic units, as well as their operation according to expectations, mean that the varying interests of the multiply-motivated society surface and are implemented directly. This process is aided by the broadening realization of party democracy which has been the subject of recent resolution. It has been stated that the fundamental strength of party policies are represented by the basic cells, which until now have not been given a major role in the formation of policies. It is this factor that will determine the conditions of operation and the methods of leadership.

The introduction of multiple candidates means that the party membership will select, and may even recall, a certain percentage of persons nominated for higher party posts. The party congress decided that in the future a person can be elected to the same party leadership post for the maximum of two terms. In other words, the broadening and developing of party democracy may also benefit the democratic growth of the entire society!

This main trend in the transformation of party activities is augmented by several other important factors. One involves changes in cadre activities. In the event a person is nominated for a leadership position (in the party, state or economic sphere) that person should be expected to give evidence of suitability, knowledge and honesty, not only in words, but through everyday deeds! Using this approach, we may reduce the effects of influence-peddling, unprincipled personal connections and harmful subjectivity!

The other factor implies a popularization and recognition of expertise: After all, intellectual activity that produces values is a decisive element in the country's social and economic development. This may be considered a declaration of war on obtuseness and conservatism that hinder the acceleration of reforms. A theory and practice re-establishing the prestige of intellectual values also calls for reducing today's egalitarianism.

What brought on these thorough changes? The realization that the economic policy goals and the concepts for raising the standard of living proposed at the XIIIth party congress of 1985 were poorly conceived. The living- and working-conditions of the population became worse and the standard of living deteriorated. While we may attribute these developments to external factors (in the spheres of global affairs and economics,) the shortcomings in our domestic activities are more serious causes. At the XIIIth congress the party decided in favor of continuing the reforms, but this did not include a readiness to face the inevitable social conflicts, a radical transformation of product profile, and their consequences. And this can be attributed to mistakes in party control and the absence of necessary autonomy on the part of governmental, social and economic leadership. As a consequence, the party is changing its leadership style and its behavior, introducing practical steps to encourage and smooth the way for the processes of social pluralism.

The party congress perceived the role and significance of labor unions correctly. This is attested to by the statement according to which the labor unions, having great historical traditions and mobilizing the majority of workers, will continue to have great responsibilities in the future. The resolution referring to the labor movement urges labor unions to recognize the party's leading role and work as independent partners with the party, represent their members' interests, come forth with their proposals and develop their own views. They should also strive for increased openness in their activities. As for the state organs, they should demand union participation in the political, social and economic decision-making process. The party supports initiatives that serve to improve political and legal conditions for the representative activities of the unions and for modernizing the labor movement.

It is necessary to separately emphasize some of these points.

### Partnership

A labor union recognizing the leadership role of the party operates in a partnership. This approach implies very deep changes. Among other things, it clarifies the confusion—prevailing for decades in the labor movement—concerning the expressions 'autonomy' and 'independence.' A new situation came into existence which can be stated this way: Labor unions, while committed to the cause of building socialism and accepting the party's leadership role and policies, are independent and there are no external limits of this independence. This is a qualitatively new situation.

For the first time in the history of socialist countries, there appears a demand for social pluralism, and one way this pluralism can be represented is through the labor unions. This approach also takes into consideration the fact that the labor union movement is guided by the members' interests. This also refers to the so-called "transmission" approach, which needs to be revised.

This situation alters the social status of the movement as well, in that it makes all types of elected union officers more responsible to the membership, which in turn means that the interests of the latter will be more energetically represented and defended. (This also follows from the operation of the law governing associations, which is now being prepared.)

Labor unions form their own opinions independently, and communicate them to their members and to the public at large. This is expressed by the call according to which they should increase the openness and accessibility of their activities. In fact, such a demand and opportunity represents the openness of representing and defending the members' interests, and means that the public should be informed of confrontations between the membership's interest and those of the various economic or state organizations, as well as the causes behind any compromises made. Forbidden topics are being eliminated. The former rigidity is disappearing, and there is more rationality and consistency in the labor movement's substantive representative activities.

Our approach and practice would be mistaken if all of the above were not implemented in their entire verticality: After all, conditions of partnership and publicly asserted independence of view apply to the representative bodies and the basic organizations as well as the movement's national leadership. Naturally, such a broad change cannot be implemented overnight: rather, we are talking about the initiation of such process of development which will become viable after struggles and debates. After all, we have to alter the customs and practices of forty years.

The new situation calls for creating political and legal guarantees necessary for the representative activities of the labor unions. To be sure, the work of labor unions have been and are politically guaranteed in our country, but these guarantees do not wholly comply with the changing realities. If our starting point is that a partnership will develop between the party and the labor unions, then we need political guarantees which mutually clarify this. After all, the behavior of a movement expressing and representing the wishes of its membership must not be doubted or questioned at any level, and certainly not altered with political resolutions.

Legal guarantees will be defined in the above-described manner, probably through constitutional-legal revisions. (The leadership of the labor unions has not decided yet, what forms are practical for the creation of legal guarantees: At the moment the creation of a labor union legislation appears to be the most practical method.)

### Labor Union Answers

The radical changes urge the labor movement to introduce a more meaningful way of representing and defending the membership's professional interests. The members themselves are more and more forceful in expressing such demand. This is especially noticeable when lesser or greater social conflicts crop up, which is practically inevitable in the course of altering our industrial structure. How can we create an organizational system that would serve a better, more effective way of defending the members' professional interests?

Even if we modify the framework, how can the extraordinary variety of professional interests be expressed in the existing structure of branches and specialities? Everyday practice produces numerous changes that appear to be interesting. Within the branches, a powerful development started toward creating mechanisms that would serve the voicing of professional interests. It is possible to come up with a rational solution that would bring about the operation of various specialties and networks of interests within the branches. The most recent example of this can be found in the Union of Government Employees, where scientific employees created their own independent representative body. This development also answers the question whether the trade union movement is able to create within its own framework a system of representation that corresponds to the membership's wishes and demands, as well as the question whether this alternative is available to the Hungarian trade unions as long as the alliance of labor unions (directed by the SZOT) rejects any organization outside its own framework.

The formation of alliance systems and independent divisions within the branches is not governed by individual decision, but by the demands of those who wish to

express professional interests. What this means is that a movement defined from below is being organized in accordance with the membership's demands, that is, it is not shaped from above.

There are important changes being prepared within the trade unions. We have to clarify the place and role of the movement within the national economy, and thus we need, and will need, conceptions that express a suitable independent approach. In addition, we must make sure that the practical operation of the movement and the partnership within the changing system of institutions will implement their own points of view. And they must be in accord with the membership's demands: in other words, challenges concerning the internal operation of the labor movement must be answered in a manner that corresponds to the spirit of the times.

In all likelihood, during the coming autumn these questions will be answered in a manner suitable to the social and economic challenges and reflecting the membership's wishes.

This is the age of renewal, which touches every social and economic organization. While in the previous years there was a shortage of radical measures, we hope that now, after the party congress, the conditions of socialist construction will be re-organized in a thoughtful, well-considered manner.

12588

**Independent Trade Union Official Interviewed**  
*25000223b Budapest HETI VILAGGZDASAG  
in Hungarian 9 Jul 88 pp 62, 63*

[Interview with Pal Forgach, member of the TDDSZ [Democratic Scientific Workers Union] Action Committee, by Endre Babus: "The Organizations Should Want Only To Satisfy the Will of Their Membership." First paragraph is HVG introduction]

[Text] Perhaps there was only one event in recent years in the Hungarian trade union movement which brought back members who had quit the interest-representing institution: The formation of the 20th Hungarian trade union, the Democratic Scientific Workers Union. What kind of changes would be necessary for the entirety of the national trade union movement to operate with much greater autonomy to the satisfaction of the membership?—We asked Pal Forgach (65), 1 of the 9 members of the Executive Committee of the TDDSZ. The veteran trade union activist started working in the domestic trade union movement in 1943; later he continued as an international trade union diplomat. He occupied the position of chief secretary of the Chemical Industry Workers' International Trade Union between 1967 and 1979.

HVG: The influence of trade unions on Hungarian society has decreased noticeably in past years. The signs of decline appeared as early as in the 1985 parliamentary elections when only 5 out of the 8 trade union candidates could get a mandate, and the chief secretary of the largest interest-representing group, the Vasas, was forced out of the legislature. Of course, the process of erosion is indicated first of all by the reduction in the number of members; in the past years tens of thousands, and in the first half of 1988 about 150,000 people, 3 percent of the membership, quit the trade union. With half a century of trade union background, what do you consider is the cause of the trade union movement's decline?

P.F.: I associate the disillusionment of the trade union idea mostly with events 40 years ago when trade unions shifted from organization by trades to organization by branches of industry. It seems to be obvious now, at least to me, that this was a thoughtless and one-sided action which led to the bureaucratization of the movement and to its intertwining with the state administration. Unfortunately, at that time I advocated this step myself. I believed that this would help create a representation of interests so strong that it would be able to protect the interests of those employed more effectively. In 1948, with the concentration of about 50 trade unions into 19 branch trade unions, the bulk of the traditional interest-representing groups was liquidated. In Hungary there had been no tradition of the one factory, one trade union concept. An iron worker, for example, could not imagine belonging to the same trade union as an engineer or an administrative worker; yet, all of a sudden, this principle became general. Now, when the revision of the trade unions' situation cannot be put off any more, I think it is absolutely justified to rethink the structure of the movement, which has been essentially unchanged for 40 years. The formation of the TDDSZ and its operation outside the SZOT in itself is a critique of the present trade union hierarchy; however, signs of fermentation can be seen elsewhere, too. During the past months, steps have been taken to create additional independent professional trade unions. In the wake of these, the Trade Union of Teachers and Civil Servants announced its wish to be transformed into an association of member trade unions.

HVG: The necessary development and operation of numerous political institutions have been continually postponed in Hungary during past decades with the frequent argument that we do not have the needed democratic traditions, moreover, that society is not mature enough to use its democratic rights. Would the autonomous operation of this interest-representing movement run into such obstacles?

P.F.: The rehabilitation of several outstanding figures of the old Hungarian trade union movement fills me with cautious optimism. The latest of them was Illes Monus, whom I was fortunate to have as my teacher. I think there is a lot to be learned from the experiences of the former trade unions of social democratic orientation. First of all, I consider the internal democracy of the old

interest-representing groups an example to be followed nowadays. Before 1948, even in such small trade unions as our confectionary industry union, there could be found, in addition to the different streams of social democratic members, the communists and the fractions: the Demeny fraction and the Weishaus fraction, just like certain populist trends, for example the followers of Feja, and even a few Christian Socialists. I feel the manner in which this membership could cooperate, accepting the common trade union principle in spite of their variety, is still exemplary. The presently existing trade unions will hardly regain their prestige without creating internal democracy. It should be attained again that the organizations should want to satisfy only the will of their membership and not the demands of their superior authorities. It cannot be considered a normal situation that in certain areas the SZOT's instructors have directed elected bodies for years. We in the TDDSZ are beginning to build an organizational structure in which the bodies superior to the local trade union groups, for example the elected body of the TDDSZ, cannot make mandatory decisions without the approval of the local groups.

An influential trade union movement, naturally, has to strive to create an independent profile for itself. To accomplish this, it requires a distinct sociopolitical and econopolitical concept and an informational system maintained, at least partly, with its own resources. For example, I think it would be reasonable for the trade unions to return to regularly calculating price and wage indexes, and to making the results public, since this could orient the membership in the formulating of their demands. In the trade union movement before the war, these calculations were made by one man, Beno Gal, and the NEPSZAVA regularly published the weekly food basket that indicated the extent of price changes. We in the TDDSZ wish to resuscitate the tradition of trade union price and wage index calculation.

HVG: Aren't you afraid that many will think that your union's ideas are romantic or, even worse, thoughtless? Anyhow, how does it affect your union's situation and negotiating position that the TDDSZ altogether numbers about 2,000 members while the rest of the domestic trade unions have memberships between 30,000 and 600,000? It has been said in trade union circles for years that a trade union can command the government's attention only above a certain membership number, a minimum of 10,000.

P.F.: The Hungarian experience from before the war does not justify this opinion. At that time, rarely did the total membership of the trade union movement rise above 100,000 people yet we were able to do an effective job of representing our interests. For example, our former interest-representing organization, the Hungarian Confectionary Industry Workers' Trade Union, had only 200 to 300 members before 1945, and it did not have more than 1,500 even in mid-1947; and yet we

could show results, because the trade's active members belonged to our trade union. By the way, it is worth mentioning that our trade union was not the smallest.

Not even on the basis of my international experience can I accept the opinion that at least a membership of 10,000 is necessary for an interest-representing organization to work well. In Great Britain, for instance, there are several trade unions which have had a membership of only a few dozen people for years. In the developed industrial countries, the proportion of the organized workforce sometimes does not reach even 20 percent. It is another question, of course, whether it is advantageous when different trade unions can act together, for example in negotiations with employers, but this does not affect their autonomy. Finally, as far as our ideas about the price and wage index calculation are concerned, this is not something that could not be solved with today's technology.

HVG: During the time of the TDDSZ's organization, many were uncertain about under what provisions of law a new trade union could be formed in Hungary today. I guess these doubts have faded following the statutory meeting, but in everyday life to what extent are you able to have the OTP [National Savings Bank] or the employers acknowledge the interest-representing organization? Does the TDDSZ have a bank account or a seal? Does the post office or any printing house negotiate with you as with an independent legal entity?

P.F.: The freedom to create trade unions is clearly spelled out by several provisions of law, such as the Constitution, two agreements of the UN and the 1948 agreement of the International Labor Organization, which was ratified by the Hungarian Government. The legality of the TDDSZ is absolutely obvious; however, the fact that we are a new independent organization really causes numerous problems in Hungary. For example, our application to open a checking account was submitted to the board of directors of the OTP, because it was unprecedented for an interest-representing organization not to belong to the SZOT or a governmental body. We had similar difficulties with ordering the seals, but these problems have been solved. Nevertheless, some employers do not want to acknowledge the TDDSZ groups, arguing that only groups belonging to the SZOT are allowed to operate in Hungary. These arguments, however, cannot be supported by any legal provision. Concerning printing houses, the preparation of the TDDSZ's first informational brochure was really preceded by lengthy coordinating negotiations, but we were finally able to publish this publication just in the last few days.

HVG: It has been said several times at your press conferences that you wish to initiate negotiations with the SZOT, for instance on questions of property division or of double membership which your union accepts. Have you established communication with the corresponding SZOT trade council?

P.F.: We informed Sandor Gaspar about our suggestions a month ago. We sent a letter with similar information to Sandor Nagy, the newly elected chief secretary of the trade council. Now we face the following strange situation: While the prime minister, whom we also informed by letter about our aspirations, responded by letter saying that he respected our intentions, the national leaders of the trade unions have not even condescended to answer us.

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## POLAND

### Association Registration: Laws, Process, Reality, Reform Prospects

26000380 Warsaw *PRAWO I ZYCIE* in Polish  
No 18, 30 Apr 88 pp 3-5

[Article by Andrzej Jankowski, Joanna Konieczna, Andrzej Studzinski, and Maciej Urbaniak: "The (Wrong) Nonprofit Organizations"]

[Text] "I am ready to bet that, if I decided to start an organization which would initiate the construction of a public toilet on Narutowicz Square, a competent department of the town hall would respond that this is not expedient," said Prof Andrzej Tymowski at the fourth meeting of the Consultative Council at the Belweder [Palace].

I have quoted the above example because until recently the public discussion of the issue of PRP citizens joining in associations sounded as a bell calling for insubordination. At present, we can refer to the grotesque in this matter, or even invoke very telling absurdities. This is what Dr Piotr Winczorek has done, writing in *PRAWO I ZYCIE* "that musical taste of official X will determine whether the amateurs of playing the balalaika will be allowed to associate in order to polish their skills."

### Noisily and Fadishly

On the other hand, these phrases, which could be borrowed from Mrozek, go hand in hand with significant developments such as the registration of the Krakow Industrial Association and a decline in the number of petitions for registration which were turned down, beginning last year. The situation around the associations is noisy and fadish. It may be that the work on the new law on associations is one of the reasons for the pick-up. Certainly, this circumstance is not without significance. The program of legislative proceedings by the government provided for this point to be implemented in the first half of the next year. Therefore, there is not a lot of time left to prepare and discuss this law which is of vital significance for our society and democracy. However, I believe that the well-known and currently often used slogan "everything not forbidden by the law is allowed" was more important in creating a boom. The slogan fits the case of associations like a glove. The catch is that the

statutes of the newly formed associations are still measured against this slogan by applying the old, official yardstick. As a consequence, this yardstick deprives people of the right to their own endeavors in a certain number of cases, even those when nobody has the grounds to question their compliance with the law.

For example, this is how the efforts of the young people who wanted to start the National Association of College Folklore Groups were torpedoed and, likewise, those of the Warsaw Artistic Society—in the latter case, "in order to secure the broadest possible independence for our beloved Cellar of the Artists." In a word, something patterned after and done in the image of the erstwhile Bohemia of Warsaw, or maybe the "Cellar Under the Rams" in Krakow. In all of these cases, the agencies of state administration referred the petitioners to existing organizations, such as the Association of Polish Students, the ZASP [Union of Polish Actors]. Besides their regular pursuits and professional duties, these young people wanted to do something else, something, to their mind, useful, unique and of their own doing. Could the negative decisions prompt them to knock at entirely different doors?

In this matter, it is hard to make far-reaching conclusions or search for direct causal links between the administrative "no" and the personal history of many enthusiasts, though there definitely are some. Be that as it may, the fact is—and many of the most varied sociological surveys confirm it—young people bursting with energy and enthusiasm see no niche for themselves and no room for success within the framework of centralized and bureaucratized structures. They are looking for something unique and independent—independent from these ossified and musty buildings. This is the privilege of the young people, which is to compensate them for various shortcomings.

Meanwhile, officials are in mortal fear of the word "independence." Within the bounds and under the control of the law, this very independence is the essence of citizens joining in associations. The state and its administration should take advantage of this independence and [illegible] tap the human energy and enthusiasm released by it. This is [illegible] social yeast, in the absence of which no dough will rise, well made and adorned with delicacies as it may be. The most surprising thing in all of this, however, is that the lack of involvement, the "I-don't-give-a-damn" attitude and social immaturity are exactly the shortcomings of the young Pole mentioned in the first place.

### Statistics to the Rescue

Beginning last year, statistics came to the relief of official echelons. I am aware that you can make statistics prove absolutely anything you want. However, this is not a case of manipulating or doctoring numbers. Last year, something got moving. People with whom I have talked in the social administration department, charged with overseeing associations, even called it a decisive "policy change." This is a strong word. However, how are we to understand this change?

Perhaps, quite literally: the Capital Office in Warsaw turned down exactly one-half of the 22 petitions filed in 1986, whereas in 1987 "only" four initiatives of citizens

out of the 31 filed were turned down. In one case, that of the Polish Heraldry Association, thus far a section of the Historical Association, the appeal is still under consideration. The remaining refusals are for the Union of Industrial and Trade Companies (as the administrative authorities see it, this is not an association, but rather an economic organization) and the already mentioned National Association of College Folklore Groups (duplication of the goals of already existing organizations).

The number of associations registered in neighborhood offices is an unknown of sorts, especially for a journalist who has too little time to go everywhere. In this field, there also is something of a pick-up. Refusals do happen. Among other things, the Neighborhood Office Warsaw-Downtown refused to allow an association called "Social Association for Abolishing the Death Penalty."

Similar trends are apparent in other cities and provinces. In Lodz province, where about 500 associations are registered, in 1985, two out of four petitions for registration were turned down by the administration, including the Association of Graduates of the G. Narutowicz Secondary School No. 2. Next year, 5 out of 6 petitions were turned down, whereas in 1987 only one out of four. At the Provincial Office in Poznan, they told me that a refusal to register an association is treated as an exception. These are sporadic cases. Last year, there were three such "sporadic cases" (on the average, about 10 associations are registered per year), whereas in the first quarter of this year—one. This was the refusal to register the Economic Association of Wielkopolska—Union of For-Profit Cooperatives. This decision is not yet legally valid, and the persons interested have appealed to the ministry. The Provincial Office refused registration because the petitioners would not agree to amendments in the statute which, in the opinion of the office, were necessary and resulted from the law on associations.

In Warsaw, there also were refusals among the 8 cases considered in the first quarter (20 other cases are under consideration). These decisions are not legally valid yet, because the founders have appealed to a higher authority. This has been the case with the "Our House" Association—a copy of the League of Women, said the Capital City Office, and the Social Educational Association, a case also quite well known, especially in Ursynow, under the abbreviated name "private schools." There are many problems with it, and many more doubts still. The founding members, incredibly competent and intelligent, with tremendous clout and energy, supplied, among other things, a dozen clippings from the press "in favor," but they have failed to convince the officials in charge of education so far.

#### **An Executive Order With a Beard**

Some blame the law for the current condition of the "Poland of associations" being as it is. In particular, the executive order by the president of the republic dated 27 October 1932 draws fire. Despite its long gray beard,

clipped many a time in accordance with the shifting fashion, the order still rules supreme with the verve of a teenager. Now the same as before, it clings steadfastly to its concept of licensing, which, contrary to what the prime minister has said in the Sejm, states that "only what the government sanctions is allowed." This peculiar prescription for living long is all the more peculiar, because the 1952 Constitution of the PRP and the International Pact on Civil and Political Rights passed by the UN in 1966 say something completely different. The well-known and often quoted provisions of these documents conform in unison to the same principle that "all that is not forbidden by the law, that does not pose a threat to state security and public order, is allowed." This is beyond a doubt. No association may be above the law if effect.

What about the executive order by the president of the republic of 27 October 1932? It also invokes the same criteria, adding one of its own—"public good." Thus, if an agency of state administration comes to believe that, in its opinion based on fact-finding proceedings, the setting up of an association "does not contribute to the public good" (article 20), it will render a "duly justified" negative decision.

In this manner, the "public good" has made life miserable and threw cold water on quite a few groups of enthusiasts. Instead of the benefit of releasing social forces and bringing out human industriousness, which is a proven remedy for apathy and torpor, "the public good" has borne bitter fruit for our society for several decades—the conviction that the almighty administration holds the monopoly on reason, as well as the knowledge of what is "socially useful." What about associations which want to get registered and operate?

To be sure, voluntary associations have a right to knock on various doors, complain, write petitions, beg, demand and wait. "The heart of the matter is," writes Prof J. Szczepanski in the study "From Analysis to Action," "that a situation has arisen where nobody can conceive of a mode of operation other than controlling, pressing and shoving around the administrative apparatus, which increasingly accumulates "supporting materials" for actions, but acts little. This is treated as a natural disaster which nobody has any influence over. This is not the "organizational society" described by sociologists; such a society organizes itself for actions. This is "an office-holding society," organized for office work rather than for actions. Responsibility under such a system is fuzzy. After all, when several organizational structures and many offices are responsible for resolving a case, nobody will ever be able to assign responsibility for anything. Since the citizen is also not responsible for anything, such is one of the saddest consequences of the emergence of the "office-holding society": the citizen is also drawn into the office orbit, as he puts together the "supporting materials," collects them and submits them.

Says a law school graduate who undertook to write a statute for his colleagues: "If there is still someone who says that officials are not diabolically tricky, tell him to go and try to start an association. Then he will see the light."

This is true. Formalism and administrative conservatism or downright oversensitivity are definitely not what every citizen dreams about encountering. However, I do not think that the officials do not know what they want, that they are blind blockheads of sorts. It is a public secret that in their explanatory memos they usually write less than they actually know. I do not believe that their modesty and risk avoidance in this case are due only to them taking the path of least resistance. Similarly, we should not fool ourselves into thinking that unblocking social energy is only a technical and legal problem. After all, this essentially is a matter of political climate and understanding between the authorities and the populace. In turn, the significance of voluntary associations depends largely on how the role of the state is perceived and how governance is perceived in the state.

Probably, some will disagree with me, especially officials. After all, they have their own opinion on the issue. Unfortunately, as they see it, activists of associations do not look all that well. The genuine, real activists with a calling are in as short a supply as drugs in our pharmacies. They are mostly old, and they retire for a well-deserved rest slowly, but inexorably. Where are their successors?

Frequently, their enthusiasm dries up after registration, says Krystyna Dziewulska, across whose desk in the Capital City Office every decision on associations moves. Later on, somebody moves away, someone else has a quarrel with another person, most often over money, of course, and that is when their involvement drops like autumn leaves, without us erecting obstacles, without us blocking them in any way. It is no big deal to set up something, and then stretch out your hand to the state for money.

With all of these opinions on each other and observations, which are certainly true in part and exaggerated in part, one doubt robs me of my peace of mind. Isn't this fear of associations somewhat premature? As it were, it is difficult to agree with registration being refused only because in the future the organization might turn out to be difficult or socially unfit. Is this not going too far in avoiding inconvenience and being arbitrary? Is this what an alternative to the inefficiency of our administration should be?

Somebody says in the statute of canary buffs that he abides by the Constitution of the PRP and the legal order in effect, and brings this document in for endorsement. Upon reading it, the official gets up and says: No, this is one great hoax and camouflage. Actually you want to endanger legal order and state security.

Would not it be simpler—or, perhaps, not simpler, but certainly more in keeping with the law—to dissolve an association which has indeed violated such order through its actions? "The apprehensions of the authorities concerning such organizations and their activity must be overcome," writes Prof. J. Szczepanski in the above-quoted study, "because failing to fulfill their tasks is more of a danger to the authorities than transferring some tasks to volunteer organizations..."

#### If They Want It, Then Why Not?

Unlike companies under the commercial law and other economic organizations, associations do not appear to proliferate all that fast, though their number is also increasing, according to the data of E. Starostecka from the Social Administration Department of the Provincial Office in Gdansk. In 1987, the office registered four associations and gave legal status to 26 chapters of registered associations.

In turn, before April 1988 five associations were registered, including the Association of Supporters of DZIENNIK BALTYCKI, "Enterprise, Progress, Welfare," the Polish Association for the Promotion of Music, the Association for the Development of Small Hydropower Plants and the Society of Graduates of the Gdansk Technical University.

Legal status was also given to a chapter of the association registered as the Association of Families and Friends of Children Dependent on Drugs—"Return from D[ependency]."

As of now, not one of these associations is involved in economic operations. In a way, this is a natural consequence of the principle of non-profit goals for which they are set up. On the other hand, economic operations by associations are only possible inasmuch as they are entailed exclusively by basic statutory goals.

Besides, the social administration department is not in charge of granting licenses for economic operations. This is the province of the department of small-scale production, which issues licenses pursuant to the provisions of the executive order of the Council of Ministers dated 22 October 1985 on the economic operations by social organizations (DZIENNIK USTAW No 51, item 265).

My next question slightly embarrasses my interlocutor. I ask whether any association has been refused registration recently. Indeed, administrative proceedings are in progress, that is to say, the case has not been closed.

This short review only allows us to observe that the interests of individuals setting up associations range widely, but, on the other hand, broad circles of our society know little about the activities of the already registered associations.

### How Is It Under the Wawel Palace?

Says Tadeusz Jaglarz, director of the Social Administration Department in the Provincial Office at Krakow:

In our society, many initiatives exist for which people desire to find a tangible outlet through registration. So, we register new associations, and also give legal status to chapters of national associations. Last year, we registered 11 associations and legalized 8 chapters. There are hardly any refusals. Our department controls the compliance of the statute submitted by the future association with the 1932 order of the president of the republic, so that the goals and the means are in keeping with the law. Much hope is pinned on the new law on associations—primarily, hopes for a greater freedom of association. My observations—and I have been working long—suggest that such enthusiasm is most apparent in the initial stage of implementation, and subsequently it drops markedly.

Recently, there has been a curious trend. Associations of friends of some areas having nothing to with our province are formed, e.g. the Association of the Friends of Orawa or—another sign of nostalgia—the Association of Friends of the renowned Nowodworski Secondary School in Krakow. The founders are older people. It may be that the memories of younger days have come back, and the desire has appeared to leave a mark when you pass on.

I proceed from the assumption that, if there are volunteers for social action, they should be given such an opportunity. It is their business whether such activities will develop or stagnation will set in. For example, there are chapters of associations which organize two, maybe three lectures a year for a circle of professionals. At times, I cannot resist thinking that it is too little. On the other hand, if it is interesting, if it enriches the audience, then why not?

At times, we see a phenomenon of "mercantilism" of sorts. An association has many statutory tasks, such as promoting education, conducting popular courses etc., but implements only one point, e.g. the organization of paid courses, which generate profit. In this field as well, we may see commercialization, though it has to be strictly social activity, as it were.

Director of the Social Administration Department of the Provincial Office in Wroclaw is of the same opinion:

When you read the press and listen to the mass media, you may get the impression that various groups of citizens want to set up associations and a lot of their initiatives are turned down. However, the stereotype in circulation is not true, at least in the area of Wroclaw province, where nothing special is going on in the matter. We do not see increased involvement and initiative at all. Last year, five positions for registration were filed, and only in one case we turned a petition down. This was the case of the Polish-American Friendship Association. We justified our refusal by the lack of reciprocity, since there is no American-Polish Friendship Association in the USA. Our decision was appealed, but the minister ruled in our favor.

The traditionally active associations such as PAX, the PTE [Polish Economic Society], the ZPP [Association of Polish Lawyers], the NOT [Main Technical Organization] and the SDP PRL [Association of Journalists of the Polish People's Republic] are operating. In other cases, the activities are less vigorous. Initiative is apparent where they are engaged in economic activities—this is almost the rule. This is understandable. There are not too many sponsors around these days, while funds are needed for statutory activities.

In the adjacent Jelenia Gora, 50 provincial chapters of non-profit organizations operate at present.

Over the last several years, there has not been a case of refusing to register an association or a chapter. Two cases are pending. Despite my staunch insistence, they would not tell us what initiatives are at issue. However, I believe that they must have raised quite a few doubts, since a consultation with the capital was required.

In addition, proceedings are underway for setting up the founding groups for the provincial chapters of the Association of Diabetes Sufferers, the Society of Physical Therapists and the Society of Poles Exploited by the Second German Reich. The stance of the office towards these initiatives is positive, though in the last case finding a 100-strong group of founding members, required by the statute of the association, may turn out to be a barrier difficult to overcome.

In the offices, they speak about refusals to register citizens' initiatives with a slight embarrassment; sometimes they nod their heads understandingly, sometimes they argue their point vehemently. This is hardly surprising. In the average year, the Chief Administrative Court finds over 30 percent of administrative decisions to be in contravention of the law in effect. However, decisions on associations are not among those. They cannot be appealed to the court. Is this going to be the case forever? Work on the law on associations is in progress. Ensuring the ability to appeal to the Chief Administrative Court decisions on refusing registration and others, e.g. on suspending the activities or dissolving associations, is within the length of one's hand. The coming year will show whether this hand will jot down "yes" or "no".

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### **Military Adviser Assails 'National Mysticism,' Defends Party, Reform**

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[Interview with Lt Col Wieslaw Gornicki, adviser to the Council of State, by Jerzy Szczesny, March 1988]

[Text]

[Question] They say you are one of the most influential people in Poland.

[Answer] Nonsense. Poppycock. Who could have told you so?

[Question] This is the view I have heard from several quite trustworthy persons.

[Answer] Gossip is a poor measure of trustworthiness. Hlasko wrote once that in Poland they say only two things about people: either that one is a homosexual, or an SB [Security Service] agent. I see that those interlocutors of yours went easy on me.

[Question] Anyway, that's what they say.

[Answer] So, let "them say it." After all, I cannot comment in earnest on such absurdities. It is very difficult to prove that you are not a camel.

[Question] Who really governs Poland?

[Answer] Primarily the Sejm, which is a much more interesting and complex institution than it is commonly believed to be. Next to it, I would rank the Constitutional Tribunal which I commend as a tremendous achievement of socialist democracy, but which makes me grind my teeth when, abiding by the letter of the constitution, it hands down altogether catastrophic rulings—and there is no appealing them.

[Question] Hard-hitting words! In your view, what exactly are the shortcomings of the Constitutional Tribunal?

[Answer] Do you recall the ruling on banning the grant of preferential points to males applying for medical school slots? There is a lot I have to be grateful for to female stomatologists; women make excellent psychiatrists and physicians, but in 15 years surgery will cease to exist in Poland.

[Question] I do not share your pessimism. However, let us go back to the previous question.

[Answer] Well, on top of it the government governs Poland. Its actual powers are [increasingly] restricted from one year to the next, which a majority of Poles welcome with indescribable satisfaction.

[Question] What about the Politburo?

[Answer] It also does not "govern" in the sense in which it governed in the first postwar decades. It basically executes the decisions of the Central Committee, works out strategic concepts, and lately holds joint meetings with the leadership of allied political parties time after time. I mention these elements of the Polish power structure because only persons belonging to them have a genuine influence on the course of events.

[Question] However, your tenure of advisor embraces a special period. Hence the next question, which I would like to word as follows: the history of the PRP may be described as successful attempts at unsuccessful reforms. Are there prerequisites for the current attempts at reform to break this "historic" rule, and what are they?

[Answer] What? A historic rule? Where did you get this notion? As it was, this is an absurd thesis. I will say more: it is derogatory to us all. How on earth did we get this cursed national masochism, if it is not by chance of foreign provenance? The Poles or, more precisely, the puny Poles ["Polaczkom"] could never accomplish anything; they wasted away the superpower they once had, they built "Polish roads," "Polish bridges," they are not capable of governing themselves, they are, as Franz Werfel once put it, "the best minds of the 15th century." Our mysticism increasingly reminds me of the mentality of Galician orthodox Jews. We cannot do anything about it, but one day the Miracle will happen. It will redeem us all at once, in one day, in great numbers and for all time to come. It may be "the new defense of Czestochowa," a new super-plan by a new super-Marshall or a gigantic present from Taiwan or Singapore. Returning to your question: there have been reforms, and of historic proportions at that, which have worked out splendidly and which we as a nation have a right to be proud of.

[Question] I would be interested to hear examples.

[Answer] For example, the land reform—a gigantic socio-economic operation affecting the lives and fate of millions of Polish peasants. I am not at all surprised that some counts, including in particular a certain lord of the estate, wanted to "pin a label of ignorance" on us with the hands of the workers and prove that the land reform was a dreadful blunder by the communists. Why shouldn't you go to any manorial village in Poland and ask what the peasants think. My dear sir, in Podlasie there were villages where they ate nothing but sour soup with potatoes for 400 years, on Sunday with sour cream added, and meat was served "once around Easter." Why shouldn't you go to Podhale, read Orkan and compare the present financial and social status of these poor folks, ask around about the biographies of peasant children, the diplomas they have and the positions they hold? How come "the gentlemen" did not notice this gigantic reform? Would they do it better?

Second example: organizational management of the largest migration flux in the history of our nation. In 1,000 years, it had never happened that half a nation changed its place of residence, and most often its profession too, within a single 15-year period. Similar processes in the countries of Western Europe lasted 100 years or longer. Does this also "play" as proof of incompetence of communists? What about the economic absorption of western and northern territories, one of the most beautiful epics in our history, which will one day find its epic

writer? Who organized it? What was the name and party affiliation of the person who brought about this actual miracle practically without funds and with the help of rag-tag apparatus?

[Question] Colonel, the successes you've mentioned here are obvious. Nobody is calling them into question.

[Answer] Is that so? Indeed? I am happy beyond description. I trust your information. However, in all sincerity I would prefer that one of your recent interlocutors would stop behaving like a skittish virgin, who "would like to but is afraid to," and say openly and in a manly manner that the party, which I have associated with since the earliest years of my life and which I will never desert, has, after all, done something good for the nation. For the Polish nation, to be exact. The issue is not that somebody changed his views. This happens to everybody, including me. But lying even to yourself in evaluating the historic reforms accomplished by the people's power borders on—I am looking for the proper word—dishonesty.

[Question] You simplify the issue too much and drown it in hints...

[Answer] Sure, I simplify. They simplify me and my party down to nothing, so why on earth should I keep to courtly manners?

[Question] This is hardly an encouraging offer of reconciliation...

[Answer] An old Jewish joke says that Rockefeller's consent is also needed to marry your daughter off to a Rockefeller. As it were, understanding is a historical process, not at all undertaken in Poland for the first time. Should I recall the conflict between the "restoration" [post-1926 Pilsudski] regime and the ND [National Democracy Party, pre-war]? Or the story of the BBWR [Non-party Coalition for Cooperation with the Government, pre-war] and OZON [National Unity Camp, pre-war]? Or the People's Front? We were never too quick to make up. As far as I am concerned, I am ready to come to an understanding with almost anybody, but on the condition that he would not regard me as a morally and maybe even anthropologically inferior being. Since you have asked me about the prospects for understanding, I would like to recall the first 3 years of People's Poland. We came out of the war not only devastated, but [also] profoundly divided. There were quite a few cases when one brother would stay in the forest, arms in hand, while the other would be a KBW [Internal Security Corps] officer. You certainly know that in the Belweder [Palace, seat of the Council of Ministers] these days one encounters people to whom military courts of the PRP have meted out death sentences. There are about 20 AK [Home Army] officers in the Consultative Council. If at that time we managed to come to an understanding

among ourselves, impoverished, bleeding and painfully wounded as we were, I see no reason this would not work today as well. The only thing is the cards should be dealt honestly.

[Question] However, would you please consider how the attitude of complete negation of the postwar period developed in certain circles, because this phenomenon indeed occurs, though, perhaps, you overestimate its scope. All we could do for 35 years was to praise and approve. Any doubt was equated with hostility. Later, it was acknowledged that the party can make mistakes, but this always applied to the past and never to the present. Equating the leading role of the party with a license to be infallible was given up relatively late, recently. It is another issue that some still have not given up this license. As a result, there is an increasing number of people who, while taking a stand markedly different from that of the current leadership of the country, still call the good things good. I see a good omen in this.

[Answer] Me too. Yet, recent years have taught me to be cautious. Several weeks ago, I read in a French magazine a statement by one of the "underground" professionals, though he operates much too openly. He told some French straggler that it was Gen Jaruzelski's dream "to become the Pinochet of the East." I am looking at this magazine. Is this person also "calling the good thing good?" Don't you still remember [the accusation of] "sprinkling water [on internees] in the cold" [referring to an alleged method of torture employed by the authorities against those those interned during martial law] insulting cartoons, portraying Poland as the most horrible concentration camp on earth?

[Question] It appears that you do not understand me at all. When asking about unsuccessful attempts at reform, I do not intend to question the achievements of the state and the nation or to call out the ghosts of the past. I am not out to enumerate the mistakes, though it is worthwhile, and very much so, to draw conclusions from them and learn their lesson. I do not know whether this is the proper place for personal confessions, but I have two children, and I would like their dreams to revolve around living in this country, and not outside its borders. Besides, I represent a magazine and a group of people associated with it who are not at all interested in nursing old wounds, a magazine which intends to support the broadest possible union in the cause of the reform. This is why, when I ask about unsuccessful reform attempts, I ask why the economic reform of 1956-1958 failed, why the WOG [Large Economic Organization] reform failed, why the awareness of the need for changes has always existed in the PRP, whereas the changes either were a sham or did not bring the intended result? I ask because I want it to work out this time.

[Answer] I'll try to answer this question in a different way. The process of industrialization has always, everywhere developed in two qualitatively different stages. The first stage was always extensive in nature. Generally,

it lasted for a very long time, e.g. in England at least 80 years, and, if we include "the sheep who devoured the peasants" within the framework of primary accumulation, then perhaps more than a hundred years. I do not know of a case in which a nation has managed to avoid the stage of extensive industrialization. This is also the reason that wholesale criticism of the Stalinist concept of industrialization appears lopsided to me.

Our problem is that the period of extensive industrialization lasted too long, about 30 years, though new technologies could have reduced it to an even shorter time than the historical record of industrialization in Prussia. We were some 20 years late with switching to an intensive economy. The causes were mostly subjective: doctrinaire rigors, the lack of imagination and courage in the leadership, bureaucratic obstacles. However, there were also objective elements.

There will be nothing but disappointment in store for us for as long as the Poles continue to associate with the notion of economic reform the hope that the miracle I mentioned above will occur overnight. Intensive economy is governed by different rules. There are many barriers. I will mention the deep-seated egalitarianism, invaluable as the state of consciousness at the previous stage of development, but at present profoundly harmful. I will also mention the barrier which is talked about the least and with the greatest reluctance: the actual work hours, tragically short in our country as a whole (exactly one-half of the work hours in Japan!), unconcern in the social sphere (the only country in the world where women have a right to a 3-year child care leave!), the ease of obtaining disability benefits unparalleled in Europe. Also, there are the 20 years of our history irretrievably lost for rebuilding the assets destroyed in the war. Also, there are one-and-a-half centuries of lag in elementary infrastructure. After all, the road builders and military engineers are still building bridges which should have been put in around 1850 at the latest.

[Question] In other words, nothing could have been done better, in your opinion. Is this the curse of history?

[Answer] Curses, excommunications and anathema are not my cup of tea. Indeed, many things could have been done better, though not as magnificently as the naive ones believe. The myth of detailed central planning ruled supreme too long. I personally remember a certain small shop in Mokotow [a district in Warsaw] having a plan for sales of sauerkraut.

[Question] And nobody was aware of this before?

[Answer] Indeed they were, beginning with Lange and Kalecki.

[Question] However, those offering criticism did not do well.

[Answer] True, and I believe this is exactly the main reason that our economy at present is in worse shape than it could be in right now. However, here as well I have to inject a small nasty remark. The predominant view is that we are an exceptionally gifted people. Meanwhile, the law of great numbers does not bear this out at all. Before the war as well we somehow did not produce merchandise on the world level, with the exception of the famous locomotive, the "Los" bomber and "Vis" pistol. After the war, we mastered the production of TV sets or crop-dusting planes relatively fast, but a small diesel engine, a decent automatic washer or, finally, a car better than the "Tarpan"-type masterpiece seem to be beyond our technical talent. The third example: binazine, elastomers, gallium arsenide, the Trzebnica technique of hand surgery... I'll let you go on enumerating these sensational achievements of our technical thought. How many of them are there?

[Question] Is this not a systemic issue by any chance?

[Answer] Have you heard about the sensational Greek computer, Portuguese heart transplants or Turkish robot manipulator? This is not our system, as it were.

[Question] However, I have heard about Malaysian integrated circuits, Taiwanese computers and Japanese robots which replace an entire orchestra.

[Answer] Well, here we go. The following is a recipe for the second Japan. First, we abolish all social security benefits, set a 72-hour workweek and 6-days-per-year leave. Then, we introduce competitive exams at all levels of education so tough that 4 to 8 percent of candidates commit suicide. We adopt the principle that a grey-haired janitor who has worked for the company for 50 years makes 3 times as much as the most gifted designer. Then, we adopt the principle: don't ask what your company can do for you, ask what you have given of yourself to your company. Respect the emperor and all superiors. Farm even as little as 10 square centimeters of a garden. That's it. In 30 short years, we will have a new Nippon on the banks of the Vistula.

[Question] This is not very likely.

[Answer] Not very. However, enough of this masochism. In the end, the crisis of 1929 in the U.S. itself brought about several million bankruptcies and a decline in the national income by one-third. In the end, bills with face values of hundreds of billions of marks were printed in the Weimar Republic. In 1930, the countries of Latin America sold their debts at 14 cents on the dollar. In 1932, when debt repayment exceeded 24 percent of exports, Germany suspended the payment of foreign debt altogether.

[Question] But haven't they overcome this somehow?

[Answer] Indeed they did. Why should we not be able to cope with the current accumulation of problems? It is most important that finally a beginning was made, which previously even I had not dreamt about. The political will to carry out the reform has never been as strong as it is now, and you can trust me about this, because I look at it from the closest range possible. Let us recall that for many years it was exactly the top echelon which slowed down rather than promoted [the reform]. In this instance, I do not have minor corrections in mind. I would be happy to live to see the day when the socialist state will once and for all eternity renounce laying down the recipe for pork chops and will let this or that private owner in on the state secret such as making French fries. However, you understand that this cannot be accomplished by a single decree.

[Question] Which forces are now resisting the progress of the reform?

[Answer] At my own risk, I will define them as conservative and reactionary forces, but not in the traditional meaning of these words. Certainly, a segment of opponents of the reform hang around the center. Indeed, I recently read a book by former Deputy Prime Minister Aleksander Kopiec, who argues irrefutably that the 1970s were an uninterrupted string of successes and the most magnificent period in the development of Poland, and an article by Stanislaw Kociolok who says the same thing about the 1960s. However, how many such die-hards can you find? I will say something heretical, because I understand that without a small heresy your company would not feel right. Thus, at present I would be inclined to see the main forces opposed to the reform among the highest-paid segments of the working class, excluding, of course, the miners to whom no rules of economic operations should apply and who can indeed say all they think. This, however, is not true of the so-called largest state enterprises. They have several features in common: the highest level of average wages, the highest consumption of energy per unit of output, the greatest waste of raw materials, the loudest mouths when it comes to social demands, relatively the lowest rate of increase in productivity—and also such a degree of internal clannish organization which can squeeze as much as they desire from this limping economy. It is exactly in these enterprises that partnership groups and self-financing are being introduced with great difficulty. If a director such as the one at the "Teofilow" in Lodz comes along, they will buy the new formula. However, until one comes along at a shipyard or another iron mill, there is no reason at all to slave and do badly. We have brought up two generations in the belief that "whether you stand up or lie down [the 2,000 zlotys—the minimum wage] is yours," and it is hard to expect that these "tough men" will voluntarily trade in the better for the worse.

[Question] This is a sad perspective.

[Answer] No, a hard, strict, manly perspective. The ones with two left hands will become immaterial sooner than they think. They can still scare us, call upon socialism or the Virgin Mary, but one day the lady accountant will calculate what is really due whom—"come around and settle."

One more thing: alcohol accounts for one-third of the expenditures of the Polish people for food. As Jan Szczepanski once put it, a nation which drinks away one-third of its wages and spends the equivalent of 4 minutes of monthly wages for books and publications cannot be poor.

[Question] The prime minister said that everything that is not forbidden is allowed. We had waited for this statement for almost half a century. However, is the central echelon aware that this intelligent and apt attitude does not at all apply everywhere in the so-called field?

[Answer] It certainly is. However, unlike the clergy who, for example, administer the exorcism and immediately get the desired result, the people's power must reckon with the resistance of matter. This does not mean physical matter alone, but also the resistance of piled-up prejudice, inhibitions and doubts. I can say this only: there is no other way out for Poland. We will never again be able to return to the situation of 10 or 20 years ago.

[Question] Therefore, who is supposed to implement the reform you've talked about? Which forces may be genuinely interested in the reform not coming to naught?

[Answer] I believe I won't be guilty of idle talk if I say that I see the main force in several million of young, gifted, energetic Poles, among those who do not intend to wash car windshields in Rome or waste away in refugee camps. Many have emigrated, many more will certainly emigrate, but the ones who will stay here will finally tell themselves that there is no reason at all why they should not put their shoulders to the wheel in their own country. This will certainly be difficult. Every change is. I know well how it was during my years in the ZSMP [Union of Socialist Polish Youth]. However, they are already people in a different mold, with a different mentality. They know how to be insolent and fight for their cause.

[Question] In a word, you are among the optimists?

[Answer] In principle, optimism is not a political category. It should be used cautiously. However, I am convinced we will stand on our own feet. On many occasions in our history it has been incomparably worse. I remember those times. However, ultimately it worked out for us. There is no reason at all why this time around it should be different.

[In the box] Explanation [from Lt Col Gornicki]

I would like to inform all readers of KONFRONTACJE that I had given the interview below to Szczesny prior to seeing the cover of the April issue of the journal.

As I see it, it amounts to an insult to the friends of my childhood and youth who died at the hands of Hitlerite butchers; it is a manifestation of the lack of historical culture and the kind of sensitivity which is incumbent on any Polish editorial office and any Polish journalist for as long as the generation of residents of the General Governorship, Warthegau and Westpommern walks the land of Poland, for as long as the female prisoners of Ravensbruck and the unburned prisoners of Oswiecim, Majdanek, Treblinka and Sobibor are alive... The National Remembrance Month has been and should forever remain the time for our nation to honor the ones who could have considerably more to say about real dangers to our national existence than the KONFRONTACJE journalists born so many years after the war.

I am not questioning the tragedy of Polish officers shot at Katyn, though I believe that, in the name of respect for the fallen, it would be more honest to wait until the issue is finally resolved by historians. I do not make light of the grievances and suffering of my compatriots deported to Siberia, sent to camps and punished by death only for having held some post in the Polish state, though it is not true that I consider every one of them innocent.

I believe, however, that revising the historic awareness of a nation cannot be accomplished by way of sensations akin to those in an afternoon tabloid. In the 5 long years of World War II, I knew only one enemy, the Germans, and only one liberator, the Russians. Maybe, it worked out differently for others. However, I speak for myself and in my own name. I have no intention to revise my own biography or, in my old age, to talk myself into emotions of a different kind than the one which shaped me.

Having seen the aforementioned cover, I decided to withdraw the interview authorized by me. However, after prolonged talks with the editorial office, I have come to the conclusion that "Polish new thinking" may and even should embrace the following compromise: I agree to the publication of the interview, which is not mandatory for me either in the line of duty or politically, whereas the editorial office will publish my explanation that I am categorically opposed to capitalizing on the Polish corpses of the years of World War II.

It is your decision, my young colleagues.

Lt Col Wieslaw Gornicki.

Editorial note:

The stance of Lt Col W. Gornicki is a surprise to us. However, we recognize the right to a personal perspective, though we cannot agree with the accusations. It appears that it is exactly the word "compromise" that deserves to be underscored in this unpleasant conflict.

9761

**Columnist Trivializes Reform Efforts, Association Initiatives**

*26000515 Warsaw SZPILKI in Polish  
No 25, 23 Jun 88 p 14*

[Article by [columnist] Klakson: "On the Course of Events"]

[Text] What is the difference between Reagan, Mitterand and Jaruzelski? Reagan has 100 bodyguards, knows that one of them is a KGB agent, but does not know which one. Mitterand has 100 mistresses, knows that one of them has AIDS, but does not know which one. Jaruzelski has 100 economic advisors, knows that one of them is right...

I believe that this dilemma may be solved by randomly drawing the advisor who you need to rely on. If the probability of hitting is one in 100, then this is an opportunity for the Polish economy which appears to be worth the risk even now. Almost all Poles play Totolotek [state lottery], where the probability is one in a million, or several million. In view of that, why couldn't we play collectively, having a one in 100 probability, even if we risk drawing Prof Bozyk [dean of the Department of Management at the Main School of Planning and Statistics in Warsaw] again?

In essence, we do not have economic advisors in favor, but only economic advisors against. Advising against is much more developed than advising for something. There is not a segment in the adopted economic reform, I mean its stage No 2, which somebody does not advise against in strong terms. In other words, admonitions proliferate faster than ideas.

Our political life is more lively than the economic one, because the ambitions of both those who are the authorities and those against them revolve around politics. If in the early 19th century more Americans had had the ambition to become governors or county officials rather than to make money, then presumably people from the Washington government would travel to Warsaw to nag the loans out of us.

Changes in Poland manifest themselves in a profusion of new associations rather than commercial enterprises. Even economic associations are more interested in their hidden political objectives than the proclaimed economic ones.

Ms. K. Wheaters [sic; should be Whithers], an American living in Warsaw, the permanent correspondent for the newspaper with the unassuming name BALTIMORE SUN, is fighting publicly to legalize an association of homosexuals in Poland. She wants social freedoms for the minority to exist, because the lack of oppression of the minority by the majority is the main criterion of freedom. I am very much in sympathy with the homosexuals, and would gladly become one of them, except that I don't like necking with anybody. However, I believe that Ms. K. W., in a sense, undermines the legal movement of homosexuals even before it is born. How can we treat the pederasts without contempt if, lo and behold, such a great number of men put forth a woman as their champion when there is something to take up with the authorities, which are, after all, good-natured, and hide under her skirt?

They say that the fear of other sexual minorities creating their organizations is one of the reasons for hesitation on whether to register the association of homosexuals. The homosexual precedent will take away the legal pretext to turn the others down. Therefore, the organ registering associations, which reports to the MSW [Ministry of Internal Affairs], must first ascertain exactly how many sexual minorities there are in Poland, that is, which organizations may follow the homosexuals in applying for registration. Young members of the force dispatched to reconnoiter the field encounter still new sexual irregularities. For example, there is the female moral doctrine saying that, if you use the back door, you are not cheating [on your partner]. From among the perversions they do not write about in sexology textbooks, the movement of sexual totalists is the mightiest. These are men and women who screw everything.

Likewise, the sexual majority, which also embraces all sexual minorities, may also organize and seek legalization. So, they are dropping hints about the Masturbation Society. It would support and advertize this inclination, which indeed calls for sharing the experience and exciting the imagination collectively. At the same time, it is a very timely form of sex, because it offers ideal protection from AIDS, comes free of cost to the person and is cheapest for our society. It does not force the state to build apartments, produce diapers, and pay maternity and child care benefits. The above happen to be the consequences of a widespread sexual perversion called heterosexualism.

However, I would give priority in registration to the Orange Alternative [youth street theater, unorthodox and politically involved—translator's note] of Mr. Frydrych, alias Major, from Wroclaw. To be sure, this organization, specializing in mooning the authorities optically and sexually, is not seeking legalization. However, I would register it out of spite, forcibly. Subsequently, I would give it everything any organization craves: lots of office space, a large payroll, subsidies, official cars, accounting, local branches, the duty to hold reports and elections meetings, a press organ, etc. Social

experience shows that this is the surest, proven way to get rid of any activity, and at the same time make the organization dignified and sedate. In a short while, it would be possible to let this Frydrych organize the concert segment after solemn celebratory meetings quietly and safely. Even now the public tomfoolery which the Orange Alternative stages betrays the conformist inclinations of its leaders and members. For example, they do nothing that is not in the taste of their audience. A happening performed in, say, black dresses rather than red caps is absolutely inconceivable there. Thus, the Orange Alternative Movement is so cowardly and bootlicking that I sense in it something familiar, which is easy to assimilate and tame.

If everything that is not forbidden in the economic field will become permissible, I think I will start a company which would take bets on how high the rate of inflation is going to be this year. Everybody pays in, and then this amount is shared among those making the right bet, the same way it is done for racetrack betting. Everyone is going to bet that the inflation rate is going to be very high, and at the same time they will tie up a considerable part of currency in circulation by paying in to my company; this will bring about almost all of those making bets calling it wrong, because by making bets they reduce inflation. This is such a clever trick that I personally wonder whether I could be the one from among the 100 economic advisors who is right.

The opinion is circulating that this year's fall is going to be interesting, and there is a theory that collective prophecies get self-fulfilled. If the rule for the self-fulfillment of mass expectations is correct, then what we lack in Poland is the rumor that things are going to get better. One might say that this is the only thing which we lack.

9761

**Warsaw Rector on 'Nervous Authorities,'  
Anticrisis Pact, Other Issues**  
*26000489 Warsaw KONFRONTACJE in Polish  
No 5, May 88 pp 6, 7*

[Interview with Prof Grzegorz Bialkowski, rector, University of Warsaw, by Adam Kowalski]

[Text]

[Question] Rector, you said in one of your interviews that you are appalled by inefficiency in action and work. Why are the effects of work still so meager? Why can we not go beyond lamenting and mutual accusations, beyond rather boring discussions and polemics, beyond debates over ideas and plans that are later discarded or quietly set aside?

[Answer] It seems to me that people are not working at full speed. They are not putting their hearts into it; they are working without conviction. This is the fault of a

situation, a frequently occurring feeling that so little depends on the individual person, that nothing can be changed even if one tries very hard. And one might consider why this is happening, because in the press, in the official statements of our statesmen, the theme often surfaces that everything depends on us, everything is in our hands. But what does "on us" mean? It cannot be anything but: on those who work, but also on those who organize this work. Who plan it and invest in something but not in something else. It depends on them and on all of us. Perhaps more so, the higher destiny has placed them.

[Question] Young people look at this like ordinary helplessness. Older people are immune to slogans and arguments of this kind.

[Answer] The older generation is expressing a desire to take early retirement, even though their pensions are quickly devalued. And this betokens something. It is a desire to separate oneself, to release oneself from work, from making one's contribution, because it seems unnecessary, even wasteful. I am not saying this is a common phenomenon, but it is an attitude encountered so often that it could destroy any economy. Yet the raw material most needed for economic reform is human inventiveness, dedication and productivity. But in order to draw from these resources, certain psychological conditions must be met, for without them the best thought out premises of reform must fall short: full belief and confidence in people and institutions.

[Question] Yes, but confidence grows slowly. For this, the luxury of time is needed, yet the situation requires that this "something" appear soon, almost immediately.

[Answer] It should appear soon. I think the outright forceful step would be to give the people who doubt, who are pondering and not getting involved some institutional guarantees that they will not only co-regulate their lives, but that they will also be able to co-control them.

[Question] Some small speculation—for example, the premier could answer: we have already given so many guarantees that the range of our moves and capabilities has been exhausted.

[Answer] I do not think this would be a pertinent argument, because people want to participate in the country's life not individually but in groups. Therefore, they want the opportunity to organize, to strengthen their voice, their own attitude through the action of people who think as they do or similarly. Creating the sense that what is happening can be controlled, that one can protest unsatisfactory situations, that one can contribute to removing from leading positions those people who are guilty of incompetence and sometimes openly criminal activity, this sense seeks institutional forms for

itself. What is needed is the conviction that people can say what hurts them and that they will be protected by their groups, committees, societies, organizations and unions.

[Question] The point is that criticism should not be a manifestation of desperation, that it should be a normal civic gesture, right?

[Answer] Yes. Right now a person who would like to stand up to some local mafia individually is simply desperado. This is a person who is putting a noose around his neck. I think that if these institutional guarantees were to come about, it would be not only an act of political wisdom but would also create hopes for the success of reform.

[Question] It is hard to find a serious article, speech or declaration where there is no section on "democratization" or "further democratization" of social life in Poland. But because these reports have intensified particularly in recent years, the question arises: would you call the current political system democracy? In solving shared problems, could we not rely on the requirements of democracy?

[Answer] There are certain areas of social life where we are closer to democracy. But at the very foundations of our system lies the fact that it is based on a dictatorship, called the dictatorship of the proletariat. I am referring now to the formal, legal and political fact itself, not evaluating it. In spite of all democratizing reforms, our system has not become a democracy. We got the glass in our hands, but there is no water to drink.

[Question] Then perhaps it would be easier to establish and—for all I know—decree some coherent system of values from which there can be no deviations. In other words, let the old way of deciding and wielding authority stand, but with an ironclad guarantee that no end is so great that it "justifies the means."

[Answer] In practice, conflicts of values can and do arise. The problem does not occur when we are dealing with good or bad, because a normal person will choose good. It occurs when we must choose between many kinds of good that cannot be effected simultaneously. Let us take an example. Our system guarantees the right to work, e.g., a person should receive employment according to his education, needs, interests, etc. A very beautiful right. But many people, if they do not sense a sword over their heads, that if they do not perform well, they will lose their jobs and live in poverty for a time, then they do not perform well but merely pretend to work. And so many people feed on the work of their colleagues, people who are working honestly. In other words, because of one right, another right is violated, the right to social justice, to elimination of exploitation of some by others.

Another example. I once discussed with colleagues the subject of limiting admissions for higher studies and one of the group said that the limits must be maintained because of the need to coordinate the number of students with the needs of the economy. So here again the right to work comes into play, but this time this right is in conflict with the right to shaping one's own identity, associated with the choice of one's ideal course of study. Someone might think: I will study philosophy, then be a cab driver; what will it harm anyone that I will be a philosophizing cab driver. One could offer dozens of such examples. Every system, every society faces a choice between certain values it wants to implement as the expense of other values. These are things that are immeasurably hard to decree or regulate through rules of law. So the society itself must determine which system of values it wants to implement now, because in ten or twenty years, this system may be completely different. And I think the democracy of a political system should be measured by its capacity for the majority of society to impose a certain system of values to be abided by in general.

[Question] Let us go back to democracy, because since it has been postulated, it is worthwhile to settle the question of whether it should be democracy in joint decision making, joint action or perhaps joint governing? You mentioned that we have achieved rather significant freedom of individual opinion.

[Answer] Every one of my students can say on the university campus, on the street or on the bus that he does not like this or that or mention someone's name in an unfavorable light. But just imagine that there are a hundred students who want to say exactly the same thing! Students scattered around on several buses do not constitute a threat, but the same students assembled in one place become a hostile force. So in group life, collective life, the situation is much worse. We are moving in a labyrinth through which one passage has been prepared for us and there is no question of our being able to use other paths. So we have opportunities for joint decision making, action and governing that have been eliminated. Of course, there are political parties, associations, unions have emerged, PRON and an enormous number of various societies are functioning. But apparently they are not satisfying all social needs, since there are people who are not joining them. One might ask why. Perhaps because some of the provisions of their programs do not suit them? Or even if these provisions did suit them, perhaps they do not like the tradition or history of that organization. Or perhaps, for even the most petty reasons, they do not like the people who are already there? I am not saying that people who do not want to join an organization or attach themselves to some existing movement are better, purer or more noble. But they should have the right to establish their own societies, unions and committees. Yet such opportunities are not being created for them. I am convinced that far reaching pluralism in social, political and cultural life lies in the best interests of our country. I also

feel that our society is healthy enough to eliminate certain societies, movements and unions on its own. Eliminating means making it so a few dozen people to whom no one pays attention belong to them. Here is a memory from this year's March celebrations. Friends from the student self-management group told me, "there is an organization"—I do not want to mention its name—"that may want to throw stones at you." I think that even this is major progress, because during czarist times, they threw bombs, and if we have made it to stones, that is not bad.

[Question] Maybe it is even better than you think, except that they could not afford tomatoes?

[Answer] Possibly. Perhaps. But they also told me, "we know all of them, so we will stay so close that no one will throw anything." And this is a situation where a society is discarding something, pushing it outside its boundaries, neutralizing it in a healthy, autonomous way.

[Question] That is an excellent, comforting example. But please note that Solidarity has millions of members, its own program, natural means for the "influx" and "outflow" of people, yet it was pushed outside the "boundaries," and in a healthy reaction.

[Answer] You know, we are crossing over into a very tough part of our conversation that requires more thorough knowledge of the facts about Solidarity than I have at this moment. Solidarity was a very diverse movement, a substitute for everything—the parties, unions, cultural societies and God knows what else. What kept it together was a desire for joint action on behalf of shared emancipation. I think that in a more normal situation, if everything had been stabilized, Solidarity would have broken up into a number of groups that perhaps would have competed with each other or even fought each other. Because what united people at that time was a common concern to break through and come into existence. Now, when I see attempts by my students who are trying to reactivate the Independent Association of University Students, I realize how fragmented the movement is. There are people in it who, under normal circumstances, would be associated with Catholic ideology, others with National Democracy, others would opt for Social Democracy and God only knows what else. What unites them now are their attempts at registration, so they actually have a modest common program.

[Question] I do not know whether it is more comic or tragic, but no generation in People's Poland has attempted or had the chance to mature politically. The nervousness of the authorities does not make anything easier.

[Answer] It seems to me that the nervousness of the authorities or, perhaps more precisely, the nervousness of certain representatives of authority, is dangerous in its consequences, because it produces reflexive reactions. The notion that an initiative must be uprooted because it

did not originate in our circles is extremely harmful. It is not taken into consideration that many initiatives may overlap in their programs, although they emerged independently. And even if we do not agree on a certain point, it depends on how important that point is. Maybe it would pay to lose on one issue in order to show that society, the people, do have a voice, that the authorities can afford it. A strong government can withstand setbacks and is not destroyed by every defeat. Besides, certain issues should be looked at from the height of some rank. If there are movements that enrich the country's social life, they also enrich the person who belong to the elite of the authorities in that country.

[Question] Is democracy in joint decisionmaking and governing the key to untangling our problems?

[Answer] I would not be so bold as to say that it is the only key, but it is certainly a matter of highest importance. We have not yet achieved the capacity to voice opinions collectively. And I do not think many people would want to participate in joint decisionmaking or joint governing if they did not have a public mandate. But those are two completely different things—to voice one's own opinions or represent an entire group. Often representing oneself is an act of despair. It occurs on the basis of: something must be done, something must necessarily be done.

[Question] Rector, you are member of the Consultative Council under the chairman of the Council of State. How do you assess the council's work, its usefulness and effectiveness?

[Answer] As you know, the Consultative Council does not have the right of joint decision making, so it does not make any decisions. The council also does not express joint opinions. But members of the council can submit their own opinions to the chairman. Directly. This is currently the most important figure in our political and state life, so it generates the hope that some of these opinions and proposals, after being weighed "pro" and "con," will be adopted and implemented.

[Question] Are you attending the council sessions with the same intensity and interest as you did a year ago?

[Answer] I must say that my interest in growing. At one time I was very skeptical about the council's usefulness. Admittedly, one cannot make decisions there, but one can speak out and many opinions are voiced there, including those that are uncomfortable and unpleasant for the authorities. Sometimes it reaches the point of sharp polemical confrontations, although courtesy is maintained. All this produces a new quality in public life and leads to openness to and acceptance of differences of opinion. Colors appear in a monochromatic life and it turns out that they can co-exist. It turns out than people can argue and not a hold a knife at each other's throats. We have broken this habit rather effectively, so a forum where this can be done is useful.

[Question] You mentioned your students, young people, who are also trying to "do something."

[Answer] For a year or maybe half a year, I have been observing their state of intellectual unrest and I see this as a very valuable thing. This does not mean I agree with all the ideas these young people offer. But I prefer that they have such ideas than that they live the life of an earthworm.

[Question] What do you think about the great emigration, which includes young people in particular?

[Answer] If one looks at it on an individual scale, everyone has a right to it. Everyone can live where he wants, study where he wants, work where he wants. But on a social scale, it is an enormous problem of bleeding to death. Most often it reflects badly on the attitudes prevailing in the country one is leaving. Often we consider, what are the signs or symptoms of crisis? This is precisely a sign of lasting crisis. It is enough to see the lines at the embassies. Another sign is the decrease in average life expectancy. We have a crisis, a severe crisis and now is not the time to think about halfway measures. One has to have great courage in order to change many things.

[Question] So I will ask you about a very specific matter. KONFRONTACJE published an interview with Bronislaw Geremek.

[Answer] Oh yes, I have read it.

[Question] In which Mr. Geremek proposed establishing a so-called Anti-Crisis Pact. My question is, should this idea be sustained and developed?

[Answer] Of course, the idea should be sustained, but it is necessary to consider in advance what kind of pact it will be—non-aggression or cooperation. Because a non-aggression pact is absolutely essential. The point is for everyone to have the right to speak out and organize and for an emerging organization not to be slandered and destroyed after a few days. The point is to admit the other side is right if it does something positive. This pact could be the basis for some social standard. And then, it seems to me, the next stage would be a pact on cooperation, a pact that would include the unwritten social agreement that we work together for the common good. To enter into such a pact, the sovereignty of those social groups who have not officially won that sovereignty is necessary.

[Question] It seems to me that without violating this process, it could be make shorter and easier. I am referring to uniting real public authorities.

[Answer] There are authorities in Poland, but they are, I would say, partial authorities. I mean that there are people who believe person A and there are people who believe person B. Yet it is hard to find an authority who

would be listened to and accepted by 90 percent of the people. That it why it is necessary to "assemble" all existing partial authorities, put them all together and incite them to cooperate, in the common interest as well. I also think a sense on the part of these authorities that they are authorities is important, and that the fact of coming into contact with other authorities will not hurt them.

12776

**Contest for Rural Party Aktivs, POP's**  
*26000405d Warsaw TRYBUNA LUDU in Polish*  
*4 May 88 p 4*

[Brief: "Basic Party Organizations Initiators of the Social and Economic Transformation of Rural Areas"]

[Text] "Basic Party Organizations Initiators of the Social and Economic Transformation of Rural Areas—Party Members Serve Their Communities" is the slogan of a competition announced in October 1987 by the editors of CHLOPSKA DROGA at the initiative of the Agriculture Section of the PZPR Central Committee. Basic party organizations and individual party activists from rural areas participated in it.

The competition is to disseminate the best methods of party work in rural areas and the most effective, practically tested methods of solving production, social, and cultural problems in rural areas at the lowest organizational level. The competition, as its first version showed, has contributed solidly to increasing the role of the basic party organizations in rural communities.

Among the participants in the competition, 577 basic party organizations and 176 party activists in rural areas who have distinguished themselves in party and professional work and in undertaking varied actions to meet the needs of rural communities were selected. The culmination of the first version of the competition will occur in the second half of May 1988.

13021

**2 Opposing Views on Labor Law Dominate Labor Code Talks**  
*26000406b Warsaw TRYBUNA LUDU in Polish*  
*19 May 88 pp 1, 3*

[Interview with Leslaw Nawacki, director of the Department of Labor Law of the Ministry of Labor and Social Policy, by Wanda Zagawa: "Again on the Proposed Changes in the Labor Code: What Is Most Urgent"]

[Text]

[Question] A year has passed since the proposed changes in the labor code were announced and presented for consultation. Remember: in May 1987 during a joint

meeting of the Politburo of the PZPR Central Committee and the leadership of the OPZZ the basics of the proposed revision of the labor code were presented and it was judged essential to collect observations and proposals from society.

This was supposed to be the first stage in the revision of the labor law including only the most urgent changes essential to the new social, economic, and legal situation. I asked Leslaw Nawacki, director of the department of labor law of the Ministry of Labor and Social Policy to comment on the further fate of the proposed law.

[Answer] Discussion of the need to revise the labor code has continued since the beginning of the 1980's, and it is associated with the reform of the system for managing the national economy and the new tasks, rights, and structures of the trade unions. Earlier this document, which is 13 years old, experienced many partial revisions of, among other things, such important issues as settling disputes involving the employer-employee relationship or problems of collective agreements. When introducing legislation on the economic reform some changes were also made. The purpose of these improvements and additions is obvious: the labor code which is a type of constitution for all those who work must keep up with the changes in the operation of the economy, independent enterprises; it must then support the operation of the economic mechanisms.

[Question] What plan of work was adopted?

[Answer] In 1985 the president of the Council of Ministers named a commission to revise the labor code which included representatives of theory, practice, and the trade unions. The chairman of the commission was the minister of labor, wages, and social services, and its task was defined as follows: prepare the most urgent changes in the labor code from the point of view of society and the economy.

[Question] These most urgent changes were in the basics of the proposed revision of the labor code presented last year. We remember what was judged to be the issue for immediate resolution.

[Answer] One more word of explanation. These most urgent measures were included in the proposed changes to the labor code and other laws, that were submitted for social consultation during the middle of last year. Next, a new analysis was forwarded at the beginning of 1988 for consultation with the trade unions. The issues are adapting the labor code to the new tasks, rights, and structures of the trade unions, taking into account the legal status of the economic reform being introduced, the introduction of measures serving to rationalize employment, intensify labor, limit unjustified fluctuations in employment, strengthen the prestige of good work, and

counteract social pathology in employer-employee relationships, and the introduction of regulations filling gaps in the labor law and making some regulations more specific.

[Question] After the social consultation and after the discussion in the trade union movement, you probably know which measures arouse the most controversy.

[Answer] The controversies mostly concern the association of the two basic functions of the labor law. Namely, the protective and organizational functions. A large part of the participants in the consultations especially the trade unions, are for improving the protective regulations of the labor law and refer to arguments about the lasting achievements of the workers. These protective regulations, they say, should not be limited at all, even in *special* situations, such as the liquidation and bankruptcy of a factory. Sometimes proposals are made not just to stabilize these protective regulations but to expand them.

The second group of discussants pointed to the need for a reevaluation of the labor law and indicated the need to shape the employer-employee relationship under the economic reform in close association with the economic results of the enterprise.

These are two different conceptions and the deputies, who have the deciding voice in this matter, will have to find the "golden mean."

[Question] But we are still far from settling the problem in the Sejm?

[Answer] The proposed law of revisions in the labor code which we have discussed is still under consultation with the trade unions. We expect the evaluation of the OPZZ Executive Committee in May 1988. Stanislaw Bar, deputy chairman of the OPZZ, who is also deputy chairman of the commission for reform of the labor code named in February 1988 by the president of the Council of Ministers, spoke about this in an interview for TRYBUNA LUDU (published 16 May 1988—editor's note). This new commission began its work at a meeting on 27 April 1988 with a discussion of the basics of the reform of the labor law, which is the second stage, still more essential than the partial changes, of the planned reform work. Prof Zbigniew Salwa chairs the group named by the president of the Council of Ministers and the 29 person membership consists mostly of theorists of the problems of labor law and representatives of the trade union movement. Representatives of the ministry of justice and the judges of the Supreme Court, representatives of the Prosecutor General, the Association of Polish Lawyers, the National Council of Legal Advisors, and our ministry are helping the commission.

[Question] Returning to those issues judged most urgent, those, which after the evaluation of the OPZZ Executive Committee, will enter into legislative work, how in your opinion have the recommendations and proposals of the trade unionists been used?

[Answer] I would begin with those issues that aroused no controversy. These were usually proposals to include changes deriving from the law on state enterprises. I am thinking here, among other things, about the legal status of the director. The proposed law also includes the following proposals: the right of workers to seek damages instead of returning to work; defining the legal situation of employees during the liquidation of a factory or merging it with another; establishing directives of wage preference for outstanding workers; awarding employees legal protection by the courts in cases of a dispute with the plant about his work certificate or evaluation; introduction of the principle of applying position punishments instead of financial damages against a worker for damage caused by him to plant property exclusively with the workers agreement; abolishing the obligation to sign labor contracts for a trial period.

There is also a group of issues of which the trade unions are critical as the course of consultation so far shows. For example, the proposal to add to the catalogue of position punishments a new punishment, transfer of a worker to a lower position for a period of one week to three months or to work classified at a lower level or a reduction in wages for such a period by one group, in cases where the worker has violated the obligation to be sober at work. Further, adding to the catalogue causes justifying the dissolution of the work contract with the worker without notice, with cause, for blatant defective production or the consumption of alcohol at work, even after working hours, and also authorizing the plant to apply this form of dissolving the work contract even in cases of a one-day unjustified absence from work.

[Question] Among the proposals for urgent regulations are issues of the group form of work organization. What reactions have you noticed?

[Answer] The trade unionists, as discussion so far has shown, have not rejected the need to regulate group forms of work organization in the labor code. But they have submitted numerous reservations to the proposed measures. Chiefly, to the distribution of risk between the plant and the workers and the definition in regulations of questions of, for example, work time.

[Question] We will return to many of the issues we touched on today, I think, after the OPZZ Executive Committee takes its position. And during the following discussions in the commission on the reform of the labor law which must also evaluate this proposal. Thank you for your comments.

### Disaffection of Youth Documented; Authorities Urged To Act

26000495 Warsaw *POLITYKA* in Polish  
No 28, 9 Jul 84 p 4

[Article by Krzysztof Wielecki: "Youth and Reforms That Do Not Fit It"]

[Text] More than one-half of youth in Poland has declared its lack of interest in political and social affairs. Only every third young person belongs to one or another sociopolitical youth organization (every second pupil, every fourth university student, and only every eighth worker). Can this be considered proof of hostility toward politics and the institutions dealing with it? But the situation is no better with the participation of youth (and even university students) in sports, tourist, cultural, and other organizations. The diminishing activism is confirmed by numerous studies, although at the same time recent demonstrations by university students indicate that the diagnostic value of these studies is rather limited.

Does anybody at all want the rising generation to be proactive? Yes, everybody, according to official declarations. In reality, though, side by side with genuine efforts, there is a lot of sham and fiction. Vast research programs funded with considerable monies have been set up, special academic conferences and sessions at political institutions have been organized, educators are concerned, and the mass media are making appeals. We hear that "the party and government center their attention on youth." The Ninth Central Committee Plenum in 1982 formulated a new concept of policy on the rising generation. In 1986 the Sejm passed the "Youth Decree." All that was supposed to promote youth activist, and all that was in vain.

The party, which initiated these efforts, is itself in serious trouble. Only 6.9 percent of its members are young. If this continues, by 1990 the average age of a PZPR member will be 50. Currently, 15 percent of executive party posts at all levels, from basic party organizations to the Central Committee, are held by the young (up to 35 years old). Compared with the share of youth in party membership that is a lot, but seen from the standpoint of needs that is little.

The modest share of youth in institutionalized social and political life ensues from the shortage of inspirations of this kind. According to studies of the Academy of Social Sciences, barely one young person in 70 is willing to hold some post of leadership in the future. Such an attitude stems from the low actual demand of institutional structures for the radicalism, energy, criticism, and desire for a change characterizing the rising generation.

Proof? Just consider: in 1987 only 1.5 percent of department directors were persons up to 35 years old, and there was not one such person among voivodship and large-city authorities. As a result of competitive appointments,

young people were given 4 percent of the posts of directors. The average age of the board members of sports associations is 55 years! Hacking one's way through the forbidding thicket of routine is extremely difficult to a young person.

Youth's lethargy also stems from its awareness of how little influence it and its organizations actually have on its personal and collective destiny. According to studies by a team under Dr G. Nowacki, only 0.7 percent of young people believe that youth exerts a genuine influence on national affairs.

The political measures taken so far apparently have not changed the fact that the social, economic, and political institutional structures do not need youth and are effectively blocking its path of advancement.

Unless vented within the institutional structure, the energy and aspirations of youth are discharged outside it: in the so-called second [underground] economy, in alternative movements, or directly through outbreaks of open aggression. The current unrest among youth demonstrates that these alternative forms offer no full release to the energy potential of that generation; these alternative forms also are being institutionally blocked. Dislodging youth into them owing to the "institutional bottleneck" also is disadvantageous, since this displacement of youth into peripheral domains of initiative and self-assertion means that it is being propelled toward marginal social activities and taught to concern itself with its own self-interest, conflicting with the social interest. This promotes anarchic and asocial attitudes, which as a consequence may lead to much more acute outbreaks of aggression among the young.

### Is Poland a Democratic Country?

We already are aware that contemporary Polish youth stands aloof from being proactive in the official structures and senses its lack of influence on national affairs, the circumambient society, and its own life. Studies by the IBPM also reveal that one-half of all youth attaches the greatest attention to its own material situation (including housing), and that every sixth young person values most his own family or (chiefly, school pupils and university students) desires a good education and a good job.

When asked about their expectations concerning their personal life, national affairs, the community, the workplace, or the school, many young people did not know what to answer. According to CBOS [Public Opinion Survey Center] polls in 1987, only 6.4 percent of young people feel fully convinced that Poland is a democratic country, but, although only about 30 percent assess positively the achievements of socialism in the Polish People's Republic, more than 50 percent are in favor of its continued development in this country. In this connection, only 6.1 percent (JBPM data) feel trust in the principal force responsible for it.

Studies by the team under G. Nowacki showed that only 6 percent of young decisively support the command-style management of the economy, with an additional 16.7 percent supporting it partially. Total control of the administration by the party is supported decisively by 9.8 percent of the respondents and partially by 16.7 percent. A total of 82.5 percent are in favor of increasing the share of nonparty experts in governance. It can thus be concluded that the predicted reforms should meet with considerable support from youth. At the same time, however, barely one-third of the respondents supported entrusting the economy to social self-governments, and every second respondent wished that the state would strengthen its control of the nonsocialized sector.

Here the results of a survey of adult population by Professor Wladyslaw Adamski (see, e.g., ODRA, No 1, 1988) are worth noting. He found that "The principal supporters of the reform are skilled workers and experts with higher education, that is, groups which are contesting the existing political order. The drama of the situation consists in that those who are vitally interested in the reform are at the same time the people most mistrustful and critically disposed toward the intentions of the authorities."

There is a naivete about the honest faith that nothing needs be changed in Poland because the panacea will be the generational change. Youth is very diversified, espousing diverse systems of values and attitudes. But one trait that, if not common to all young people, characterizes a substantial segment of the rising generation, thus being of qualitative importance, is its apathy, its lack of opinion on many important issues, and the atrophy of its prosocial attitudes. Let us also add that some part of youth (chiefly the less-educated part) entertains rather conservative views, which eliminates it as a proreform force. Still another part of youth (nowadays, at least) does not desire to become such a force owing to its political aversions.

#### **Without a Dress Tie and a Garrison Cap**

The alienation of people in general, and of youth in particular, from institutionalized forms of social organization is observed not only in this country but also in many other countries that are more developed than Poland. The membership base of the great political parties, trade unions, etc., and of the more highly formalized and centralized organizations is shrinking. So-called social movements and associations are mushrooming and organizations following, as a rule, some particular purpose are being spontaneously formed.

This trend is probably generated by disappointment in effects of social life based on large and rigid structures. Many people view skeptically the achievements of modern civilization and feel frustrated. They live in fear of war, environmental pollution, unemployment, stock-market crash, etc., and they blame large organizations for all this. Although these accusations are certainly

much exaggerated, it is true that the process of the institutionalization of social life—once an indispensable factor in the growth of civilization—has exceeded rational bounds.

In our country the extent of social frustration is even greater than in many other countries. This is induced not only by the political mood but also by the relative limited possibilities for establishing extrainstitutional, spontaneous organizational forms. The spread of ecological movements, the explosive reaction to the plan for developing the Bieszczady area, and the tremendous interest in the fate of the regulations governing [freedom of] association—all these are symptoms of a huge social pressure building up beneath the institutionalized cap.

It thus turns out that huge potential social energies are accumulating somewhere and legal, political, and cultural obstacles are blocking their release. These obstacles thereby also aggravate the "social vacuum," meaning the flaws in the Polish social structure that consist in the absence of direct linkages between the nation and the family.

The spontaneously arising microcomputer clubs and ecological and peace movements as well as the existence of discreetly institutionalized forms of the church's cooperation with youth—all this demonstrates that the young are not always apathetic and passive but rather exist in a state of latency from which they can be easily awakened (as recent days have shown). If we accept without questioning the claim that the rising generation is mired in stagnation, we will find it difficult to understand the recent student demonstrations and strikes at universities or the new vigor among youth at many plants and factories.

Of course, when students act in a manner that is sure to be counterproductive to their proclaimed goals, they demonstrate a great lack of political maturity. When they (literally) boo any sentence uttered by a democratically elected university president that does not flatter them, they reveal their great state of disorientation. And moreover they demonstrate that theirs is an unquiet sleep.

#### **Where Is the Dog Buried?**

The state, if it is to function harmoniously, must create institutional premises for social and economic development. The constant growth of needs, aspirations, and interests is a natural tendency; this is a process that no one can halt in the long run. If citizens view the state as an institution blocking social and economic growth, sooner or later their wrath becomes directed against it, on seizing any pretext. In this connection, from the standpoint of individuals, successes measured by an increase in livestock population or in pig iron output "per capita" are of no importance. What counts alone is the subjective feeling that one's life is continually improving or at least that possibilities for improving one's living standards do exist. The feeling of economic

degradation is the least tolerable to people (this was recently discussed in POLITYKA in an article by Mirosław Maroda). If the society senses that its own situation is improving, or at least that it can influence that situation, it can endure a lot. If, however, that sense is absent, it is ready to repay with "black ingratitude" at any moment [as published].

Facing (this being inevitable) serious social, economic, or political problems, the Administration must choose among the strategies for resolving them: stagnation or growth. The growth strategy always entails risks and is costly, because it usually is adverse to the interests of some groups, promotes others, requires outlays on modernization, etc. It has, however, the advantage of opening up institutional opportunities for meeting the society's aspirations and needs.

The stagnation strategy seems safer and seemingly causes no clashes of interests and does not rock the boat. It may be selected on the grounds that "Once we improve the economy and calm the public mood, we will consider reforms." In reality, however, stagnation means economic standstill and institutional blockage of the aspirations of people. Hence, it engenders discontent. Maintaining stagnation in the presence of deteriorating economic parameters and a worsening public mood requires focusing a growing amount of resources on measures to preserve the status quo. This compounds shortages. This also requires centralization of management which, in its turn, after a certain threshold is crossed, additionally compounds economic inefficiency and social discontent (by curtailing democracy). The adoption of the stagnation strategy triggers a spiral of failures which sooner or later is bound to result in a major economic collapse and social unrest. If we acknowledge that periods of domination of the stagnation strategy prevailed in People's Poland, the cyclic nature of social upheavals becomes more readily comprehensible.

Before, however, a major crisis is reached, stagnation and decentralization set in motion a complex whole of occurrences which in effect manifest themselves in the form of the aforementioned characteristics of the rising generation: hence youth's unwillingness to become proactive within institutional structures, its feeling of having no influence over national affairs, community affairs, or its own life, its negative attitude toward the existing type of social order, its desire to emigrate, etc. These tendencies characterize a substantial segment of the adult society, but they are particularly marked among youth since it feels more deprived owing to its economic dependence, its limited access to career

advancement in the existing relatively closed social structures, and its unnecessarily long categorization as youth. Hence, youth is more prone to feel frustrated and discharges its feelings more often in the form of aggression or autoaggression (suicides, alcoholism, drug abuse, etc.). Let us also add that all this creates the conditions shaping the generational identity of the rising generation.

Why is it then that such an ineffective strategy is so often chosen? I have already explained to some extent the political and economic risks of switching to the growth strategy. There may be additional reasons: the international situation and the Administration's lack of confidence in its own powers, or its parochial interests. Much has already been published on this topic (e.g., the article by Professor Mieczysław Mieszczankowski in POLITYKA), and many historical, economic, and political analyses have been performed.

But while the above conclusion may eventually be accepted as an assessment of the history until 1980, its application to the subsequent 8 years is bound to generate sharp polemics, which may be justified considering that the recent period has been quite different and complex. It is possible to distinguish between two stages in those last 8 years: the period of growth until about 1984 and of stagnation afterward. During that time, a complex program for economic reforms has been developed, political relations have been liberalized, and many regulations unblocking the roads toward meeting social aspirations have been issued. But this has also been a time of many mistakes, of a sluggish and often half-way application of the reforms, of minuscule steps forward and periodic halts, and even of regressions. The authorities have not implemented many of their own bold and astute decisions, and their excessive caution and lack of consistency are producing the impression that these decisions were, so to speak, forced on them. The scope of the positive changes is certainly huge, but the scale of delays and long-blocked expectations is even more huge.

In absolute figures, the progress has been large, but when measured by the criterion of economic and social dynamics it is still small. Hence the authorities again face the necessity of choosing between the strategy of growth and that of stagnation. I have tried to show here that only a resolute growth strategy combined with a process of decentralization can assure national prosperity and genuinely strong authorities. This is also in the interest of the rising generation and is a prerequisite for its support of the intentions of the authorities.

## CZECHOSLOVAKIA

### Small Batch Production of Too Many Products Unbearable

24000117d Prague LIDOVA DEMOCRACIE in Czech  
11 Jun 88 p 1

[Article by lik: "What Changes Do We Need?"]

[Text] By its method, it is a bit of a paradox: on the one hand we constantly stress the need to effect structural changes in our national economy and that we at long last must get rid of inefficient production—and, on the other hand, we praise our enterprises for introducing such products into production (on the basis of domestic research and development) which we would otherwise have to import from abroad. And we are happy for every koruna saved for not having to import something. Only...the paradox in the whole thing is that we simply cannot produce absolutely everything we need ourselves. And that is why it is appropriate to rather consider three times in the beginning whether, in the final analysis, it would not be more efficient for us to purchase an appropriate license abroad (or for us to directly import the specific types of goods even though, at first glance, it might not be exactly cheap)...rather than "burdening" domestic production with yet another production obligation?

But to make it clear: this is definitely not to say that we should not introduce new products—the opposite is true. The innovation of products, a substantially more elastic renovation of the production assortment, is required by our economy desperately. However, the problem lies in the fact that we must not complicate our lives where this is not absolutely essential. In other words: we should always be able to calculate what will be more worthwhile—either to introduce new production here in a complicated and time-consuming manner (with all possible risks of additional delays) and, additionally, take the risk in advance that a quality product must not necessarily come out of it...or whether we should acquire the merchandise in question abroad.

Many a reader will probably not feel that this view is correct; many will surely point to the fact that we can save on foreign exchange by the above method—and this is undoubtedly true. Only we could identify a number of cases on the other hand when originally a specific sum of foreign exchange resources was saved...but in the end the introduction of our own new production in this country became much more expensive, not to mention various production complications.

Let us consider the following facts: according to statistical data, our enterprises produce roughly 350,000 types of products. However, the concept of product "types" generally does not mean only a single specific product, but a larger quantity of products—and so it is possible to estimate quite realistically that the number of produced products approaches approximately 2.5 million.

Is this a little or a lot?

The answer is simple: given the possibilities of the Czechoslovak economy, this quantity is completely untenable. Given such a broad extensive assortment, it is not possible to guarantee constant innovation activity—we don't even have the manpower (the responsible specialists) to do so nor do we have the resources. We simply cannot devote the appropriate care to all products and see to it that their technical-economic parameters, their quality, or utility characteristics of each one of them constantly improve in the way in which we need them to improve....

To complete the picture, a few additional numbers: because the assortment of products is so broad, the scientific research base (on the basis of requirements in practice) must solve an enormous quantity of tasks—currently, this amounts to about 20,000 tasks a year. It is true, the research potential of Czechoslovakia is not small; the scientific research base employs more than 190,000 persons (which is, by the way, recalculated for the number of inhabitants, almost twice as many as is the average for developed industrial capitalist countries). Only if we then consider also the high number of solved tasks and if we add the fact that only a little more than 45,000 workers in research have an advanced school education, then each solved task involves actually only 2 college graduates (and this is then again far below the average in developed countries—as much as 10 times less!). Surely it is possible to suggest that an advanced school diploma does not grant anyone a patent for actual ability and that the solution of given tasks is shared in by many capable middle school graduates and even leading workers. This is also true. But even the above-listed numbers indicate that the scientific research base is forced to needlessly scatter its high-quality forces.

And this is not only a matter of technical progress. Another reason to narrow the assortment is even the fact that we cannot forget the economics of production—and it is known that to produce efficiently means, among others, to produce in maximum large series (a fact which has been well taken into account, for example, by world class producers of electronics). In other words—we must worry not only about what, how, and on what technical level we produce, but, primarily, at what cost. And this is why we need structural changes; that is why we must restrict our production assortment...even at the price of giving up a number of products and having to import the appropriate products (perhaps we can partially share in their production, particularly with partners in the socialist countries). Without such interventions and changes, our economy will only move forward at the desirable pace with difficulty.

05911

## POLAND

### Cooperative Agreement With Ukrainians

26000482c Warsaw TRYBUNA LUDU in Polish  
4-5 Jun 88 p 9

[Text] Representatives of cooperatives from Katowice province and the Donieck district (the Ukraine) have signed a trade agreement in Donieck. The agreement provides for supplying Polish shoes, clothing, cosmetics and processed vegetables and fruits to the USSR. The Soviet cooperatives will furnish Poland with televisions, mechanical household appliances, clothing articles and toys. To the end of this year, the two sides will deliver goods worth at least 4 million rubles.

12776

### Weekly Produce Exports to USSR by Train Begin

26000480b Warsaw RZECZPOSPOLITA in Polish  
8 Jun 88 p 5

[Unattributed article: "Warsaw-Moscow Green Express"]

[Text] From our own correspondent—Poland is one of the largest exporters of fruits and vegetables to the USSR. They have so far been shipped by special refrigerator trucks, but beginning 1 July 1988, the first direct train carrying vegetables from Warsaw to Moscow will begin service.

It will go once a week; loaded on Fridays in Ozarow near Warsaw, the vegetables will be in the capital of the USSR on Monday. The train will consist of seven five-car refrigerator units of the Soviet railways and will hold in all 560 tons of vegetables, initially chiefly cauliflower.

Transport by rail will conserve significant quantities of liquid fuels that are in short supply. The costs for shipping 1 ton of cargo along this route will also be lower. Finally, taking into account that the train will have a regular schedule, the shipments will be timely and the goods will reach the buyers as fresh as they were when loaded, for they will be kept in a uniform temperature throughout the journey.

Judging by the first experiments, there are plans to expand the range of this type of rail service. In August, a similar service will be begun between Warsaw and Leningrad. The Hortex Foreign Trade Central Agency will supply the vegetables to Moscow and then to Leningrad. Agreements were signed in the middle of May in Warsaw by representatives of the Ministry of Transportation of the USSR and the General Directorate of the Polish State Railways and by Soyuzplodoimport and Hortex. In this manner the Polish and Soviet railways have combined in the implementation of the intergovernmental agreements on mutual cooperation.

13021

### Difficulties in Establishing Joint Ventures With USSR Outlined

26000457 Warsaw RZECZYWISTOSC in Polish  
No 15 19 Jun 88 p 7

[Interview with Maria Bogacka, director, Department for Multilateral Cooperation, Ministry of Foreign Economic Relations, by Andrzej Chmura]

[Text]

[Andrzej Chmura] We have already attained forms in this domain which not so long ago seemed difficult and distant. What I have in mind is the recently formed "Orbit" Publishing-Printing Enterprise and the "Polsib" joint venture, which is in the process of being organized and which is to unite the "Mikrokomputery" Ltd. [limited liability company], and the Siberian Academy of Sciences as well as several other enterprises that are being formed as a result of their own initiatives arising from specific interests and which in this way find their common denominator. However, these are still only proverbial drops in the bucket. At the time of the signing of the international agreements in 1986, it seemed that their implementation would proceed more quickly.

[Maria Bogacka] It should be kept in mind that these agreements were negotiated at a moment when the legal-organizational possibilities of enterprises in both countries were not as yet adapted to such purposes. However, they did give a start to cooperation where agreements on a central and ministerial level are being supplemented to an increasingly greater extent with participation of enterprises and this without the intervention of specialized foreign trade enterprises. The agreements were also the result of Soviet "perestrojka" and our economic reform as well as parallel trends in CEMA geared toward finding more effective forms of cooperation.

It should be kept in mind that both our economic systems as well as the scope of reforms—actually, arising from the same objectives—do have several substantial differences. This pertains too, for example, the tax systems and the establishing of internal costs in connection with foreign trade prices. The binding principles of the mutual settling of accounts between our countries do not facilitate cooperation.

[Andrzej Chmura] Perhaps it would be a good idea to recall all the important events involving this subject matter.

[Maria Bogacka] The foundation of cooperation between our countries on an enterprise and economic organization level is based on three agreements transacted in 1986 between the governments of the PRL and the USSR regarding direct production and scientific-technological cooperation, the basic principles of creating and

operating joint enterprises and organizations, and the development of reciprocal trade involving items of everyday use between enterprises and internal trade organizations.

Basic organizational-legal and financial-economic principles have been developed and introduced to ensure their [agreements] implementation.

For the purpose of settling basic legal issues in the area of creating and the functioning of joint Polish-Soviet enterprises and organizations, Resolution No 141 of the Council of Ministers was passed in Poland on 30 November 1987 with regard to the implementation of the Agreement Between the PRL Government and the Government of the USSR on the basic principles of creating and operating joint enterprises and organizations along with recommendations concerning the issue of the specific principles of negotiating agreements on the creation of joint enterprises and the conducting of economic activity by them.

Currently, work is being done on amending the law on joint ventures with foreign participation, which constitutes the legal basis for the creation of joint enterprises in the form of capital joint ventures in Poland and in the USSR.

At the same time, conditions have been created for enterprises undertaking direct cooperation for the independent carrying on of trade turnover with goods and services both on the basis of powers granted according to simplified procedures as well as without the necessity of obtaining authorization to carry on activity in the area of foreign trade according to nontrade commodity turnover processes. For the purpose of rendering the flow of goods and services more efficient within the framework of direct cooperation, an agreement was negotiated between the PRL Main Customs Duty Office and the Main Administration of Customs Duty Control affiliated with the USSR Council of Ministers with regard to simplifying customs clearance.

[Andrzej Chmura] The new conditions and circumstances require an appropriate system of information.

[Maria Bogacka] The constantly improved system of reciprocal information of the Polish Chamber of Commerce and that of the USSR, created as a result of the efforts of the Polish side, is conducive to these new forms of cooperation. Within the framework of this system, the exchange of goods and services of enterprises interested in this cooperation is carried out as well as publishing work in both countries and the exchange of information about the binding legal-organizational and economic principles.

On the other hand, specialized training is conducted that includes lectures devoted to the organizational-legal determinants of cooperation in Poland and in the USSR as well as practical advice regarding the methods of trade

operation with foreign countries—for the purpose of preparing the managerial cadre of enterprises for the implementation of direct cooperation.

[Andrzej Chmura] There are also concrete results....

[Maria Bogacka] Currently, direct coproduction is conducted by more than 200 enterprises and production organizations. The state of progress of cooperation between individual enterprises is greatly varied. Part of them already have long-term experience, part have undertaken this activity recently whereas others conduct work on the preparation and negotiation of agreements. The scope of the subject matter involved in the signed agreements points to the diversity of their forms as well as the differentiated degree of the joint commitment to the process of manufacturing the final product.

Direct scientific-technological cooperation is being implemented by more than 100 Polish research-developmental and production organizations on the basis of 116 agreements and formal records. Nearly 40 of the aforementioned organizations participate in the implementation of specific tasks of the long-term Polish-Soviet Comprehensive Program of Scientific-Technological Progress.

Direct scientific-technological cooperation encompasses several issues of great importance to the national economy, such as, the production of new types of machinery and equipment including self-propelled cranes, electromagnetic brakes and clutches; improving the methods of lowering electrical energy loss in distribution networks; technological methods of crude oil processing; obtaining new varieties of rye, oats, lupine, high yielding peas, and sugar beets with a high sugar content; as well as articles of everyday use, such as, a new line of color television sets, new fabric assortments, etc.

The Council of Directors has control over the progress of the direct scientific-technological cooperation. The organizations conducting direct scientific-technological cooperation already have concrete accomplishments behind them. A series of contracts for relaying the results of tests, prototypes, materials, devices and technical documentation have been negotiated. Joint construction teams are being formed. The effects of direct cooperation are, among other things: the complete documentation and preparation of the serial production of a series of self-propelled cranes with a hoisting capacity of 25, 40, 63 and 100 tons; equipment and diagnostic stations for automobiles; experimental-industrial batches of transformer steel; constructions; and materials and methods of testing fire-resistant cables for nuclear power plants.

Taking into account the relatively short period of time that has elapsed since the signing of the agreements and the working out and introduction of organizational-legal solutions in Poland, it is possible to say that direct cooperation with enterprises and organizations is already producing concrete results.

The development of cooperation is being hampered, it would appear, only by small difficulties in the area of international communication and transportation between enterprises. Another obstacle is also the inadequate traffic capacity of existing border crossings.

Besides objective difficulties arising from differences in the countries' systems solutions and the shortcomings of hard currency-financial mechanisms, there are also obstacles of a subjective nature with roots in the not always very best implementational practice, in old habits of thinking and acting, and in the fear of taking risks.

Pioneer work on the creation of joint enterprises is proceeding with considerably greater difficulty.

In developing the concept of technological-economic cooperation and assumptions for the particular joint enterprises that had been appointed earlier, it turned out that not all proposals were well-aimed—some of them did not fulfill the necessary, defined agreement on the inter-governmental condition of profitability and self-financing. To date, two joint enterprises have been formed: the already mentioned "Orbita" and a Polish-Soviet enterprise based on "Pollena-Miraculum" in Krakow.

Preliminary work on the formation of several new joint enterprises, among other things, the result of the rank and file initiatives of the "Polsib" joint venture, is being finalized.

Currently, the following belong to the primary tasks in the development of new forms of cooperation: the working out by financial, bank and foreign trade agencies, by way of bilateral agreements, of economic mechanisms of cooperation encompassing financial, price, foreign exchange, and rate of exchange problems, as well as others.

[Andrzej Chmura] The current system of settling accounts constitutes a serious obstacle.

[Maria Bogacka] Within the framework of the work done thus far, the draft plan has already been approved of a governmental agreement on using national currencies in settling accounts within the framework of the direct cooperation of enterprises and organizations and in the operation of joint Polish-Soviet enterprises. A draft plan has been prepared of an interbank agreement on the process of settling accounts and keeping accounts in the national currencies of the PRL and the USSR and a proposal was approved for the creation of a Polish-Soviet financial institution to be called "Sowpolinwest," whose aim will be to render assistance for the development of new forms of cooperation. An agreement between the chambers of foreign trade on the principles of cooperation in the area of informational activity has been signed.

A joint methodological document has also been prepared with regard to establishing contract prices by PRL and USSR enterprises and organizations on products supplied reciprocally in direct cooperation.

For the purpose of assuring the further improvement of the conditions of bilateral economic cooperation, work will be conducted by a task force, appointed for this purpose, for improving the economic mechanisms of cooperation between the PRL and the USSR.

The implementation of this work constitutes an important step in the direction of removing obstacles and at the same time, creating conditions for the activation and intensification of the development of direct cooperation and the formation of joint enterprises.

[Andrzej Chmura] Thank you for the interview.

9853/9274

**Japanese Underscore Trade, Credit Agreements**  
*26000481c Warsaw TRYBUNA LUDU in Polish*  
*10 Jun 88 p 2*

[PAP report: "Polish-Japanese Economic Cooperation"]

[Text] Tokyo—In Tokyo the 12th session of the Polish-Japanese and Japanese-Polish Economic Committee has ended. The Polish side was represented by a delegation led by Aleksander Jung, chief director of the Consulting Office for Pro-Export Investments. The Japanese delegation was lead by Toshikuni Yahiro, chairman of the Japanese-Polish Committee and president of Mitsui.

They reviewed Polish-Japanese economic relations and examined opportunities to develop new forms of economic cooperation, such as cooperation in third-world markets and joint ventures.

The protocol, signed at the end of the meeting, noted with satisfaction the significant progress made in recent years. As far as Polish-Japanese contacts at the government level are concerned, the significance of the exchange of visits at the highest level last year was emphasized.

Both sides agreed that the favorable trends in Polish-Japanese trade should continue which are reflected in increasing turnover and an improvement in the proportions of exports and imports. The parties also think that turnover between our two countries can be increased to \$500 million in 1991.

The Polish side emphasized the significance of credit cooperation in achieving the goals outlined. The Japanese side confirmed that it understands that Poland must receive new credits for restructuring and modernizing Polish industry in the near future. In conjunction with this the Japanese side agreed to continue asking the Japanese authorities to give Poland new credits. The

sides also agreed to apply to the governments of both countries for the quickest possible bilateral agreement on restructuring Polish debt in Japan on the basis of the principles adopted at the meeting of the Club of Paris in December 1987.

13021

**'Universal' Company Seeks To Expand Export Capabilities**

26000480a Warsaw TRYBUNA LUDU in Polish  
7 Jun 88 p 3

[Article by Jan Markusz: "Universal Offers"]

[Text] For several years now, the partnership Universal Foreign Trade Enterprise, using, among other things, foreign bank credits and loans paid for with exports, has helped its partners modernize their machine parks and modernize their products both for export and domestic consumption. Forming an Office of Exports for New Start-ups will make it possible to include not only small home appliances and sports and outdoor equipment but also food articles, textiles, construction materials, cosmetics, household chemicals, and even small industrial items. With a view to stimulating exports from southern Poland, a partnership Universal-Kraktrade was recently formed.

This type of undertaking has produced annual growth in exports, especially to the second payments area.

The 60th International Poznan Fair will be a good opportunity further to stimulate exports. A varied and rich assortment of goods has been prepared that includes many new items. Among the products which will compete for the title "Master of Exports" are the "Compact" vacuum cleaners produced by the Rzeszow plant Zelmer and a new generation of children's and young people's bicycles with the symbol BMX from the Bydgoszcz plant Romet. A dozen or so of the products exported by Universal will be entered in the competition for the gold medal of the 60th International Poznan Fair (including one of the newest models of sewing machines from the Radom plant Lucznik).

13021

**Discussions About Enterprise Taxes, Foreign Capital Continue**

26000481b Warsaw RZECZPOSPOLITA in Polish  
10 Jun 88 p 2

[PAP report: "An Opportunity To Increase Economic Activity: A Meeting of Deputy Premier Z. Sadowski With the Leadership of the Socioeconomic Aktiv of the Olsztyn Voivodship"]

[Text] "In a short time we want to create the opportunity for well operated enterprises to be exempted from the tax on excess wages above the norms [ppww, "podatek od

ponadnormatywnych wynagrodzen"] (the so-called *popiwek*) modeled on the current Slupsk experiment with the construction enterprises. Decisions are being prepared on the liquidation of some inefficient enterprises, but each of them is being subjected to thorough analysis. The government is approaching the use of its extraordinary powers very cautiously; these rights are only a temporary aid in implementing the second stage of the economic reform." These are some of the comments made by Deputy Premier Zdzislaw Sadowski to the many questions put to him on 9 June during a meeting in Olsztyn with the socioeconomic leadership of the Olsztyn Voivodship.

The deputy premier, who was the guest of the Olsztyn section of the Polish Economic Society, was also asked about the major threats to the basic goals of the economic reform and ways of improving the system of subsidies for food production, broader access for enterprises to convertible currency, and the justification of the demand for so-called convertible-currency contributions by producers of materials for finished products. There was also interest in issues of improving and simplifying the financial and credit policies and creating opportunities for increasing agricultural efficiency. Z. Sadowski emphasized that there are increasing numbers of examples in Poland of initiative and energy in the use of the legal opportunities for increasing economic activity. He also encouraged constant study of the implementation program (schedule) for the second stage of the economic reform.

13021

**Economic Reform Spokesman on Liquidation, Demonopolization**

26000513 Warsaw PRAWO I ZYCIE in Polish  
No 29, 16 Jul 88 p 9

[Interview with Dr. Jerzy Malkowski, government spokesman for economic reform, by Iwona Jurczenko: "The Conscience of a Reformer"]

[Text]

[Question] When I called to request an interview concerning the decision of the prime minister on 21 June to liquidate state enterprises, you stated that you were not able to elaborate and that Director Zajfert, secretary of the special team for implementing special powers and entitlements of the government, knew the issue better. Director Zajfert ("Me? But my responsibility involves only putting special powers in a legal framework, and not the merit of the issue") suggested Director Cwiertnia, advisor to the prime minister. Director Cwiertnia ("Me? My responsibility is to split, rather than liquidate, enterprises") tried very courteously to help me find out who in the Planning Commission is specifically in charge of this issue, but ultimately suggested that I talk with the three ministers who filed the recommendation, the Ministry of Finance and the bank. Does this mean that no one

person is responsible for carrying out this section of the executive order by the prime minister, or just that nobody is willing to discuss this topic?

[Answer] I would like to avoid giving you the impression that we are avoiding such a conversation. This is not the case. It would be laughable if an official in the Planning Commission were in charge of liquidating specific enterprises. This is the province of parent agencies. Previously, the team for implementing the law on special powers and entitlements for the government asked the parent agencies to submit proposals for a list of enterprises which should be liquidated due to their economic, credit, labor or development situation. The ministers of industry, domestic trade and land-use management and construction made such recommendations, they were examined once more, and the chairman of the Council of Ministers made the decision on splitting or liquidating [enterprises] by virtue of the law. The team tackles this issue from the point of view of technique, procedure and mode of operations, rather than the criteria which were worked out by those making recommendations, i.e. parent agencies. Thus I am, as well, not aware of specific details on why this or that enterprise is being liquidated.

[Question] I am not appearing here as a spokesman for or a defender of any of the 21 liquidated enterprises. However, I am quite open about asking for this interview because of numerous publications in the daily press, radio and TV, in which the managers of yet another enterprise mentioned in the executive order by the prime minister wondered why it was that they had to be liquidated. In specific cases, it was argued that these enterprises are not monopolists in their field, that they supply the products sought after in the market or meet their targets properly, and their financial performance is not that bad (meaning: there are worse enterprises still receiving subsidies, and they are not being liquidated). So, the question is why?

[Question] First of all, it must be understood that the liquidation of enterprises mentioned in the executive order by the prime minister does not mean that these are generally the worst enterprises, the ones that perform poorly. If it were only an issue of wasting funds or mismanaging national assets, then these enterprises would be candidates for bankruptcy rather than liquidation. The latter means that the enterprise is still functioning now, but already lacks prospects for the future. For example, amortized machines and equipment, which are impossible or infeasible to upgrade; the lack of funds to reproduce fixed assets where accumulation is poor; the lack of labor. At issue are the enterprises which are unable to adjust to changing conditions, or which do not have the opportunity to do that. There is a difference between the one who withdraws from athletics at his own wish, because he is getting weaker, and the one who ultimately drops dead on the track.

[Question] There is also a difference between leaving at one's own wish and leaving due to a decision made higher up. Abandoning these very decisions from higher

up in favor of economic mechanisms so arranged that they force self-liquidation on enterprises failing to perform their tasks under the new conditions was supposed to be the feature of the economic reform.

[Answer] That is so, but timing is a factor for us. These mechanisms are taking hold too slowly. Many of them require a system of equilibrium and saturation of the market in order to function. Therefore, we must act to install the mechanisms of automatic selection, but at the same time speed up creating the conditions for their proper operation. Hence, in general, the special powers of the government. This is like a fast lane of a highway, or a shoulder along the freeway. Special powers of the government engender special social costs, the price of a clear conscience of a reformer, to mention just one.

[Question] The conscience of a reformer?

[Answer] Your surprise is almost insulting. If we had a lot of time, we could take the high road in peace and with a clear conscience. However, time is passing, and the people are getting impatient. We also take into account social expectations, the needs of the reform, and the need to create a vibrant, rejuvenating economy. Therefore, if the government has an opportunity to speed up the procedure of eliminating the unnecessary elements, and thus make room for new [enterprise] founding initiatives, then it should be taken advantage of. After all, we live in a world where the enterprise landscape is ossified. From the day we are born, we see enterprise A to the left and enterprise B to the right looking out the window of our apartment. [They are] inviolable, eternal, come with good names and a long tradition, their deputies are in the Sejm and their members in the [PZPR] CC; they are so significant and so badly needed that they can almost stop working, at the very least working well. However, there is no healthy economy in the absence of enterprise selection.

[Question] I am not denying the need to liquidate unnecessary enterprises or those performing poorly. I am rather surprised that only 21 of these were found among 6,500 existing enterprises.

[Answer] The government has no intention to stop at these 21. There are many do-nothings, and they should be eliminated; the situation, however, is going to be more difficult. Since the June order by the prime minister is a trial balloon of sorts, at first the enterprises were selected concerning which there was no or little doubt. Still, there are appeals, protests, controversy...

[Question] Primarily, the question is: if goods and services are in short supply, does it make sense to liquidate companies which, be that as it may, do something and furnish the sought-after products to the market?

[Answer] They do indeed, but they are highly material- and energy-intensive due to the depreciation of machines and equipment, low profit margins and obsolete technologies. They do turn out products, but at such a cost that the question arises whether it would not be better to reassign these product lines to factories which will do it faster, better and at a lower outlay. Besides, the shortage in our market involves not only goods, but first of all the raw material supply. Who will get coal, steel and cotton? Over the years, the practice of giving a little to everybody has set in, to both the "good" and "bad" ones, producing at a very high cost. Liquidating some enterprises is the first step along the road of appropriate changes in competitive arrangements as early as the stage of procuring raw materials. The one who guarantees more efficient upgrading of the raw materials purchased should win, rather than the one who has more pull in the supply system.

[Question] A majority of the currently liquidated enterprises are middlemen in trade, most often neither monopolists, nor subsidized or going belly up. Eliminating the unnecessary middlemen is one of the main concepts of the second stage of the reform, though they say that other countries are doing great business in brokering trade and services.

[Answer] Certainly, brokerage in and of itself is not bad, provided that the broker is somebody who can sell swiftly and efficiently the goods which are not moving. In our situation, when the hungry market immediately absorbs everything the producer has to offer, the middlemen becomes an unnecessary element, actually playing the role of a monopolist who boosts costs and, consequently, prices.

[Question] This is very convincing, but all of them, brokers and producers alike, do not appear convinced that they are unnecessary. They are fiercely fighting liquidation.

[Answer] It is all right for them to fight. The reform is a clash of interests, usually those of a group and the entire society. Thus far, the group has always won, because it is uniform, organized, and it knows what it wants. These enterprises have their own reasons, and nobody is going to deny this to them. However, in the final analysis, the interest of the entire society has won in this case. The parent agencies had to determine first of all: what about the employees of individual enterprises, where and which are the employment opportunities for them; what about the machines, equipment and buildings, i.e. the fixed assets; what about the production lines of the enterprise? Studies done prior to the decision to liquidate should provide a guarantee that economic operations will improve while technological and subcontracting links will not be disrupted.

[Question] What exactly will happen to liquidated enterprises?

[Answer] Are you asking about their [fixed] assets? Either they will be taken over and managed, together with all assets and liabilities, by the enterprises which establish production lines of the liquidated company, or auctioned off.

[Question] Will the steel mills and shipyards operating in the red be eliminated? I can imagine how the large industrial enterprises are going to protect themselves, looking at the enormous number of appeals, protests, petitions and requests resulting from the liquidation of 21 relatively small companies, and then, not only from the enterprises affected, but also from local provincial and party authorities.

[Answer] The government has already begun actions affecting large enterprises. Some of the decisions caused no problems, e.g. the decision on a mine under construction amounted to discontinuing investment. At present, the parent agencies are preparing studies concerning other large enterprises. With regard to the shipyard industry and metallurgy, the government has set up two special teams headed by deputy ministers of industry in order to study the feasibility of keeping some iron mills and shipyards. For example, there are five shipyards in the Tri-city [Gdynia, Gdansk and Sopot], each of which is having problems with labor recruitment. Maybe it would suffice to keep only four of them, but with a full complement of employees.

[Question] And then we will combine these four into one because of other problems, and then, for different reasons yet, split it again into five?

[Answer] Your irony is uncalled for, because these are not at all actions for show, and there will be no magic number. If the economic study suggests that the results will be better if we keep four rather than five shipyards, then the government will resolve to keep them. On the other hand, specialists maintain that the depression in the shipbuilding industry is ending, and soon the states which have maintained operating shipyards will be able to turn good profits. From yet another standpoint, we often have to pay for imports with exports, so sometimes we must export goods, the production of which is inefficient in a straightforward calculation. Yet, it would be a greater evil to discontinue the necessary imports by stopping exports. This is no simple matter, after all.

[Question] All enterprises scheduled to be liquidated are complaining that they learned about the decision of the prime minister only from RZECZSPOLITA.

[Answer] Are these enterprises really complaining about not being notified, or rather about nobody coordinating this decision with them? After all, such coordination of liquidations with those affected should be renounced right away. There may be some shortcoming concerning this lack of notice, although, as far as I know, in the Ministry of Industry and Ministry of Construction, enterprises were warned a long time ago that they would

be in danger of liquidation if they failed to improve their management. In the Ministry of Domestic Trade, offers for the middlemen to join companies closely associated with producers preceded liquidation. Then it became too late for any action by the enterprises who dragged their feet on making their own arrangements. The reform really has no time to spare.

[Question] Can you call any deadline by which the enterprises will be liquidated? What I mean is that a repeat is possible of the situation with the companies which have been in liquidation on the basis of a 1981 law, and the procedure still is not over.

[Answer] It is impossible to call a specific deadline. Liquidation proceedings follow a strict procedure, which, as I have already said, has been considerably speeded up and simplified compared to that set forth in the law on state enterprises, due to, among other things, precisely the reasons which you brought up.

[Interviewer] Thank you for the conversation.

9761

**Conditions of Liquidation of 'N' Accounts Noted**  
*26000480d Warsaw RZECZPOSPOLITA in Polish*  
*8 Jun 88 pp 1, 2*

[Unattributed report: "Convertible-Currency Accounts Nearer to Reality: With Dollars to the Cashier; Automatic Conversion of 'N' to 'A' Accounts; Interest Rates Unchanged"]

[Text] This decision should change, let us admit it frankly, the poor opinion of banks providing convertible-currency accounts. It applies to the approximately 3 million individuals with accounts, and including their families, a number of people three times that figure. As the representatives of the Polish Security Bank and the National Bank of Poland announced on 9 June 1988, on the basis of the decree of the minister of finance and the president of the National Bank of Poland which will be published in the near future, on 1 July 1988 the 'N' accounts will be liquidated.

Please recall: convertible currency of undocumented origin was deposited in these accounts. A regulation that induced people to export currency illegally only in order to return with it to obtain a basis for depositing it in the higher interest bearing 'A' accounts, from which one could transfer convertible currency legally.

Sums in 'N' accounts, i.e. the balance of the account with the interest due will be recorded 31 June 1988 in 'A' accounts. The accounts of individuals who only have 'N' accounts will automatically be converted into 'A' accounts. The principles governing these accounts will remain unchanged. The sums in these demand accounts, i.e. payable on demand, earn interest at a rate of 3 or 4 percent, depending on the currency. The interest rate of

time deposits will not change. Time deposits made under the rules preceding the last change in interest rates will still draw the higher rate of interest.

Convertible-currency accounts will be maintained in one of the following currencies: in American dollars, pounds sterling, French francs, West German marks, or Swiss francs. The account holder may choose the account currency without limitation. The banks more highly value, understandably, those clients who declare deposits to accounts for longer periods. The underdevelopment of the network of bank offices means that each office serves several times more individuals than comparable bank offices in other countries. For this reason, consideration is being given to having the minister of finance give a general authorization for all citizens to take a certain sum of convertible currency abroad, without having to have a certificate from the bank.

13021

**'Polycentric,' Parallel Decisionmaking Centers in Industry Called For**

*26000491 Warsaw KONFRONTACJE in Polish*  
*No 5, May 88 p 23*

[Article by Pawel Ruzkowski, 37, doctorate in sociology. Active in PZPR organizations during 1980-81, now unaffiliated. Employed by the Public Opinion Research Center. In 1981, a specialist in the Coordinating Council of the NSZZ Solidarity Workers' Councils in Mazowsze Region; currently a self-management adviser to many enterprises.]

[Text] The current status of political and economic reform in Poland can be described by comparing it with an automobile which is in the idling gear: the engine is running, the vehicle is rolling, but no drive can be applied to the wheels. In this situation, pressing on the accelerator, turning the steering wheel, or signaling with the lights, is useless. The chances that we will reach our destination despite all of this are obviously nil.

The government's strategy, which basically comes down to changing the rules of play in the economy without making any important transformations in the macro-structural alignment of social and political forces, produces specific adaptation reactions. They consist of increasingly stronger articulation of medium-range group interests, i.e., on the enterprise, environment and occupational-category level. Everyone wants to survive, pass around this curve without changing the scope of his influences, without weakening his financial position. It can be said, therefore, that the term "reform" at this time produces a reaction of preservation, beginning with some of the central party and administrative apparatus, down to the brigade. This is shown by the following: The growing pressure on the part of the workforce for higher wages, the wide range of anti-tax actions on the part of

the enterprises, stagnation in the area of cadre policy, and finally a rebirth of bureaucracy (the well-known matter of certifications confirming declarations).

Does this mean that society is against changes in the economy?

Polls conducted by the Public Opinion Research Center (CBOS) show that workers and management look favorably on the proposal to transform enterprises into companies financed by both domestic and foreign capital and companies in which the workforces have a share. Every second worker would be willing to accept a situation in which the managing director's earnings would be twice as much as the worker's earnings, provided that the enterprise is taken over by private owners. However, only 17 percent of workers approve of large differences in earnings under the present ownership system.

In the opinion poll conducted in October 1987, 70 percent of the workers' councils chairmen and 73 percent of the directors said that they would agree to a transformation of the enterprise in which they work into a capital company or a state-private enterprise.

These figures show that there is a strong belief that with reform the situation can be improved if changes in systems are made. However, observation of implementation measures relating to the second stage of reform proves that thinking in terms of self-improvement in the existing economic system has much less public support.

The issue of changes in ownership was the subject of many disputes and discussions in 1987. This was also reflected in party documents and government programs. The need to enhance forms of public ownership, to create communal ownership, to make private ownership possible, was indicated. We now get the impression that this problem has been removed from the agenda in expectation of better times.

Even if we accept that the point of reference is a program of reform in the current, confirmed and approved form, the question still is: What social and political mechanisms should be put into motion for these measures to have a practical chance at implementation?

The factor which essential limits the undertaking of new—meaning better—actions is the method of exercising authority, which I describe as monocentric-consultative. In each of the basic areas of social life, i.e., in the enterprise, the territorial-administrative organization, or in the state, there actually is a decisionmaking center—a party committee at the appropriate level. All forms of governing are more or less subordinated to this leadership force. This applies to the economic administration of enterprises, the local administration, the territorial self-management, and the organs of state authority.

The mechanism of social consultation, introduced after martial law, consists of making public announcements of the governments plans before they are officially confirmed by the appropriate organs. The expanded system of advisory structures, appointed at the top level and sometimes the local level, also serves this purpose. We believe that the influence of these groups on the actual form of the decisions is minimal. The consultation mechanism, therefore, has a primarily sociotechnical significance. It serves mainly to recognize and channel social moods.

A co-optative mechanism has also appeared recently. This pertains more to declarations of authority than to real actions. The co-opting mechanism consists of including, in the existing mechanism of exercising authority, those social forces which operated outside of the official organizational and institutional system. Co-optative proposals are directed to various opposition groups, and recently included activists in workers' self-management. For example, in February 1988, the authorities did not allow an organizing meeting of the Association of Workers' Self-Management Activists to be held. However, a few days after the planned date for the meeting, representatives of the authorities met with a group of council chairmen and proposed that a self-management committee be formed in the Planning Commission. This proposal was not greeted with great enthusiasm, but the fact that in the new structure of the Center the Planning Commission is more of an advisory body than a decisionmaking center should be noted.

Policentrism means a demand to form, in addition to the existing structure of authority, parallel decisionmaking centers, which would constitute a form of articulation of the interests of important social groups and environments. The negotiation formula would designate the mutual relationships between various decisionmaking centers. By a negotiation approach I mean a rule of conduct in a conflict of interests. It consists of acknowledging that the only satisfactory way to arrive at a decision is through negotiation between partners, working out a settlement with which both sides are satisfied.

Obviously I do not intend here to present a full concept of the modification of social order. I will limit myself to formulating a proposal pertaining to the articulation of the interests of the industrial centers, whose influence on the success or failure of reform may be of crucial importance.

We see the laying of groundwork for the formation of a polycentric-negotiating system of decisionmaking in many enterprises. CBOS comparison polls, which covered 381 industrial enterprises, show that 14 percent of the workers' councils have had large decisionmaking independence since 1985. It was also determined that in 1987 approximately 30 percent of the workers' council linked a strong influence on decisionmaking with socialization of the enterprise's management system, as shown by the organizing of workforce consultative meetings,

making use of permanent commissions, or creating a self-management system of information circulation in the enterprise. It can be assumed, therefore, that in these enterprises self-management became a relatively autonomous decisionmaking center.

This group of active self-managements constitutes a true social potential, capable of undertaking concrete reform measures. But at the same time, the basic systems mechanisms are formed outside the enterprise. However, we can imagine a situation in which self-managements might have a large influence on economic decisions. To fulfill this demand there would have to be more cooperation and coordination of actions among the workers' councils of various enterprises. It is true that this issue is governed by art 35 of the law, nevertheless the real use of official powers in this field was one of the most strongly state-controlled assets in the economy.

Recently self-management clubs have been formed in several centers and regional lateral agreements between workers' councils are being concluded. They provide for the exchange of information regarding concrete decisions made by enterprises as new economic rules are being applied. If lateral agreements were to be concluded in a large number of industrial centers, they could fulfill more than just narrow, pragmatic purposes. I see here an opportunity to form elements linking a workers' self-management and a territorial self-management. It would appear that regional workers' council agreements would be a competent partner for the people's council at various levels in establishing a negotiating formula for the cooperation of both types of representational structures.

The experience resulting from the application of the polycentric-negotiating formula for participation in decisionmaking processes, within the framework of plant and local communities, could be used in the future in the creation of a new formula for exercising authority on the state level. One possible solution of this question would be the creation of another Sejm chamber, in which delegates elected directly by the plant workforces would be seated. (A detailed discussion on this concept appears in the article, "Dilemmas of the Interim Period," KONFRONTACJE 2/88.)

The concept presented here has, in my opinion, three important advantages: First, it provides for the application of different participatory mechanisms in particular areas of social life; second, it envisages a reversed, i.e., proceeding from the worker rank and file, co-opting formula for participation in the exercise of authority; third, it introduces the principle of negotiation as the basis for solving conflicts of interests between different social groups. One may assume that this would be represent great progress on the road from gradual democratization to far-reaching democracy.

**PKO Trade Bank Opens Hard Currency Auctions**  
*26000481a Warsaw TRYBUNA LUDU in Polish*  
*1-2 Jun 88 p 1*

[Article by Tomasz Szymanski: "A New Opportunity for Trade Enterprises: Bony (Dollars) for Zloty"]

[Text] There has been no true auction yet: no has yelled out a price; there have been no tense faces; although the people at seven trade enterprises, who appeared this time as clients, surely had their fingers crossed.

At 9 am, the Bank of Commerce Polish Security Bank, Inc. and representatives of the Ministries of the Domestic Market and Finance opened bids to purchase dollar coupons backed by real dollars. There were \$4 million for distribution. This was the beginning. The institution of convertible-currency auctions for domestic trade enterprises is just starting.

The inauguration occurred yesterday, 31 May 1988. Auctions will be held each month. This year the Polish Security Bank, Inc. will earmark one-sixth of the convertible currency earned by the Pewex stores for this purpose. In the following years, there will be more, one-third.

Money for money—that is the brief principle of these auctions. The domestic trade enterprises, operating primarily in the Polish market, have few opportunities to earn dollars. But they have zloty. Thus, they can buy dollars.

In the reformed economy, there is increasingly less space for the now traditional assignment of convertible currency. But there is more space for purchasing it. Since purchase is more efficient, more economic, a less arbitrary method of distributing scarce dollars, pounds, or West German marks, as long as we have debts to pay and an economy that is not export-oriented enough.

Among those participating in the first auction were the Wholesale Food Enterprise, Proptim-Otex from Lodz, the Central Scouting Magazine, the Mining Supply Enterprise, and the Centrum Department Stores.

We called Director Kozakiewicz of the Centrum Department Stores: "Dollars? We have so many needs that it is hard for me to name them. For example, for convertible currency we can buy refrigerators, washing machines, television sets, and expand the items for sale. One can make convertible-currency contributions to domestic producers of attractive products, etc. I emphasize once again—we have great needs. We will see at what price we can buy dollar coupons at auction. Whether we bid again will depend on that. The criteria is profitability, which, obviously, is the most important thing."

In the written bids which had to be submitted prior to the auction, it was necessary to give the sum of convertible currency to be purchased, to give a price in zloty, and to state the purpose for which the dollar coupons would be spent.

Director Jan Luberadski of the Ministry of the Domestic Market: "Today the average purchase price for dollar coupons was 1,171 zloty (a result of the bids). We spent \$2.4 million, another \$1 million will require renegotiation of the price."

In the following auctions, the initial asking price will be determined by the average price received in the previous auction. If we do not sell all of the coupons, there is the possibility of organizing additional sales. The profits from the auctions (the difference between the price of the coupons and the sales price to the trade enterprises) will in part go to the Market Development Fund and in part to the state budget.

Relatively few enterprises participated in the first auction. This is a result, among other things, of the limitation that only national trade enterprises could bid to purchase coupons.

Director Jan Luberadski: "Beginning with the next auction we will resign from this initial condition. All trade organizations in Poland will be able to bid for convertible currency."

But in fact the market will judge the institution of auctions. We will see what the real effects of the trade organizations' ability to use convertible currency are in the stores.

13021

### **Agricultural Exports Deemed Indispensable to Economic Success**

26000480c Warsaw RZECZPOSPOLITA in Polish  
8 Jun 88 p 5

[Article by Prof Dr Jozef Zegar: "The Place of the Food Industry: A Strategy for Developing Exports"]

[Text] There is no doubt our economy must be converted to an export orientation. A rapid increase in exports is the essential precondition for the socio-economic development of the country. The economy of any country today cannot develop effectively without exports. A powerful export expansion is especially necessary for our economy.

Increasing exports has encountered and will encounter a number of barriers, conditions, and obstacles. Opportunities to increase production are not impressive; the structure of the economy is slowly modernizing; nearly every additional export, although in the long run it will improve supplies for the domestic market, currently is competition for it.

The great demand of converting economic development to an export orientation places the question of whether and what contribution the food industry can make in this area. If we limit ourselves to political documents, the answer is unambiguous. For example, one of the resolutions of the 10th ZSL Congress states: "The ZSL supports further broadening of foreign economic cooperation in the agriculture and industry complex, including scientific and technical cooperation and the formation of joint ventures. We see that there is an opportunity to improve the balance of payments and develop agriculture and the entire economy."

Opinions on our ability to export and on the justifiability of agricultural and food exports are divided.

There is a discernible dislike for agricultural and food exports (there have been multiple signs of it), a disinclination to recognize these exports as a permanent element of a strategy to develop the country's economy. The main causes of the dislike are, in my opinion, the following:

—In many circles of the economic administration, and also among the domestic businesses, there is a deep dislike for everything, perhaps outside of the food store, associated with agriculture, farmers, and rural areas. This dislike reaches into the past, even the distant past, but the present day contributes to it. In these circles, agricultural and food exports are associated with backwardness, with the Third World (*nota bene* it is strange that the export of coal does not arouse such associations). There is, however, an excessive fascination with industrialization, pseudo-modernity. But this is not the point; ham is not electronics, but a profit must be made every way it can be.

—Agricultural production and exports of agricultural and food goods are more capital intensive than industrial production on the whole. It is easy to show this using statistical data, and it is also easy to show that agricultural and food exports require greater subsidies than exports of other goods. There are many reasons for this, including the faultiness of the accounting methods used. If we make a comprehensive analysis of the efficiency (profitability) of the export of agricultural and food products including macro-social criteria, I believe that the results would be favorable for these goods. The highly developed countries, especially as regards industry, are not guided by altruistic motives when they increase exports of agricultural and food products.

—Important social circles are of the opinion that exports of agriculture and food articles excessively deplete the domestic market. The common view on the question can be summarized this way: the best is exported, and for ourselves, what? Undoubtedly, this is still true, but not in relation to all products (for example, lamb, horse

meat, rabbit meat, many fruits and vegetables). In the near future, the list of such surplus products will grow. Moreover, exports will become essential to prevent dampening production.

In the current decade, excepting during the crisis collapse of the first few years, there has been a relatively rapid growth of agricultural and food exports and a definite slowing of imports of these products. In 1982-86, the rate of growth of exports of agricultural and food products exceeded the rate of growth of total exports. The index of the rate of growth, in constant prices, for total exports was 128.3 percent, while that for food industry products was 201 percent, and that for agricultural products, 289.1 percent. The reverse was true for the rate of growth of imports. The total rate was 129.3 percent, while that for food industry products was 118.9 percent and that for agricultural products 56.7 percent (ROCZNIK STATYSTYCZNY 1987, Central Office of Statistics, p. 367-68, table 4).

The percentage of agricultural and food goods in total exports rose, in current prices, from 7 percent in 1981 to 12.1 percent in 1987, and in exports to countries in the second payments area, these exports were 17.9 percent. The analogous percentages for imports declined from 23.2 percent in 1981 to 11.5 percent in 1987. Simultaneously the negative balance of payments that existed for many years became positive (1.5 billion zloty). Last year there was a positive balance in trade with both payment areas (in all it was 38 billion zloty). In trade with the first payments area it was more than 85 million rubles, and in trade with the second area, it was more than \$170 million.

The low percentage of exports to the total production of agricultural and food products is indirect testimony to the potential capacity of agricultural and food exports. For example, in 1987, exports of food industry products constituted slightly more than 7 percent of the total value of sales by this industry. The low rate of agricultural and food exports per hectare of agricultural land or per capita in comparison with other countries also indicates the potential present. We lag far behind other countries in this area. For example, according to estimates, the percent of Polish agricultural production in Europe is about 7 percent, and the percentage of agricultural and food exports is 1 percent.

The development of the potential to multiply agricultural and food exports requires meeting several conditions:

First, taking the pressure of the domestic market into account, a constant increase in agricultural and food production. Here there is a classical feedback pattern: an increase in exports depends on an increase in agricultural and food production the latter, however, depends on exports for essential imports. To a large degree growth of

agricultural and food exports constitutes not only an independent factor for promoting exports but also increases the supply of agricultural and food goods for the domestic market.

Second, agricultural production and agricultural and food processing must be export oriented. This requires export specialization; we cannot be limited to exports of immediately available surpluses. We have had some export specializations for many years. Currently new ones are appearing. The growing demand for healthful foods creates an excellent opportunity.

Third, we must develop and intensify the processing of agricultural foods. The point is for the exports of goods to be as highly processed as possible so that they are suitable for immediate consumption. Solutions to packaging problems are very important. They are frequently a prerequisite for exports. At present, packing is also advertising, competition. More poorly, less aesthetically packaged goods, though frequently of better quality, lose out to the competition of other goods of worse quality in attractive packaging.

Fourth, liberalized commerce in these goods. The point is to generalize export and import concessions, to create joint economic organizations, to intensify scientific and technical cooperation. In these activities, we must be careful that in arousing competition among domestic producers not to transfer it to foreign markets.

Fifth, we must reduce the unit costs of the goods exported and raise their quality. This requires implementing scientific and technical advancement, product specialization, and a harmonious development of production, storage, and transportation capacity throughout the entire food complex.

In closing, I would like to point out non-food export opportunities in the food complex. A particularly weak link in the food chain is the machine industry producing for the agricultural and food industry. The development of our own machine industry, specializing and cooperating internationally, is an essential condition for the development of the entire food industry. It would be extremely expensive to meet all the needs in this area through the import of equipment, machinery, and processing lines. There are examples from many countries showing that exports of these products are effective. I think that it could become one of our export specialties.

13021

#### **Shrinking Agricultural Land, Inefficient Use Provokes Concern**

*26000481d Warsaw RZECZPOSPOLITA in Polish  
10 Jun 88 p 5*

[Unattributed article: "Land Use: Agricultural Land Area Shrinks"]

[Text] From our own correspondent—Land is a basic production resource in agriculture and also cannot be increased. Thus, each bit of land must be protected; unfortunately, awareness of this fact both in society and at many levels of the authorities is not common. Issues

associated with land use were the subject of a press conference on 9 June 1988 at the Ministry of Agriculture, Forestry, and the Food Industry.

Since 1946, we have lost forever 1.5 million hectares of agricultural land, including 100,000 hectares in 1982-87. The area of agricultural land per inhabitant, as a result of designating successive areas for non-agricultural uses and also due to the increasing population of the country, has declined rapidly: in 1946, it was 0.85 hectare, now it is 0.50 hectares.

"When the area of agricultural land is systematically declining," emphasized Kazimierz Dunaj, under secretary of state in the Ministry of Agriculture, Forestry, and the Food Industry, "the question of its appropriate use becomes all the more important." Effective land use is made more difficult by the patchwork of lands. It is most burdensome for about 1.8 to 2 million hectares, chiefly in the central and southeastern sections of the country. The patchworking blocks the needed transformation of the geographic structure and areas of farms, hampers the introduction of modern agricultural methods, and immeasurably increases the effort farmers must make in order to achieve the appropriate production results.

The age structure of the farm owners is also unfavorable. Of the total of 2.7 million farms, 650,000 are run by farmers of retirement age. These farms, covering about 3.5 million hectares, achieve production levels 20 to 30 percent below the national average.

Many problems are also associated with the appropriate use of light, sandy soils. (They make up about 30 percent of agricultural land.) There are also problems with recultivating lands (the most pressing needs here are estimated at 100,000 hectares), and with increasing pollution of the environment by industry, 2 million hectares have already been subjected to intense degradation.

Improvement in land use requires the solution of many economic, social, and legal problems, including among other things revision of the laws on the protection of agricultural and forest lands, on merging lands, sales of state-owned agricultural lands, and also of the law on social insurance for farmers. Work on the revision of these legal acts is underway. Moreover, in accord with the directions of the political authorities and the Sejm Commission on Agriculture, Forestry, and the Food Industry, work has begun to develop a comprehensive program for using light soils and soils in regions where factors other than the natural characteristics of the land act to impede its use.

13021

## ROMANIA

### New Train Schedule, Routes Noted

27000094 Bucharest FLACARA in Romanian  
3 Jun 88 p 19

[Interview with Eng Constantin Leu, by Geo Ciolan]

[Text] At midnight, 29 May a new train schedule went into effect and will remain valid through 29 May 1989. This new schedule is for both passenger and freight trains. We spoke with Eng Constantin Leu about some of the features of the new schedule for passenger trains. Comrade Leu is a department head in the Ministry of Transport and Telecommunications, Department for the Railroads.

[Answer] Based on experience accumulated over time and the specific information in developing a similar program—the traffic schedule, the new train schedule was drafted in light of the 1.39 percent increase in passenger-miles programed in this year's plan as well as the 1.1 percent increase planned in the rate of commercial traffic. Of course, all calculations which we made over the entire period that the current schedule has been in effect have customer satisfaction as their basis, through increased efficiency and better use of the rolling stock.

[Question] What preliminary work did you do to gauge the desires of the traveling public and the reactions of railroad specialists?

[Answer] To better understand transport requirements and to sample the views of the passengers—especially commuters—the railroad organized in each of the railroad regions, working meetings at the railroad stations in all industrial centrals and economic organizations where there are large numbers of commuters. All affected enterprises, economic units and institutions were invited to send representatives to these meetings. To expand a bit on what I said about public opinion, we also took into account suggestions made by citizens in letters to the press.

[Question] Throughout 1987 and up to the present, the railroad has undergone continuous development with new lines being constructed and others being modernized a daily occurrence. What new features does the railroad system offer in view of these improvements?

[Answer] A new feature in the 1988-1989 train schedule is the inauguration of new rail lines which in the beginning, will operate solely as commuter trains. These new lines include: The Dornesti-Siret line which will have ten trains daily; the Pascani-Tirgu Neamt line (six trains); the Brad-Deva route (four trains); and the Satu Mare-Bixad line (normally 12 trains). Also, as a result of the extension of electric railroad lines, Arad-Curtici and Pascani-Iasi-Nicolina, sections on the two international main lines, the possibility has been created for the

international and domestic trains which travel between Bucharest-Teius-Arad-Curtici (653 km) and Bucharest-Marasesti-Pascani-Iasi-Nicolina (466 km) to travel the entire distance with electric locomotives. This will contribute to increased speed and important savings in hydrocarbon fuels.

In order to meet passenger needs and as the result of a comparative analysis that we made, the new train schedules presents a radial network with direct lines, for which we have programmed 2,238 trains. Of these, 90 percent are workers and passenger trains and 10 percent the high-speed trains—the rapid and accelerated trains. To ensure sufficient commuter space, a topic on which there were many proposals, about 400 passenger trains have been designated as workers' trains over those distances where the timetables of those trains coincide with dialy work schedules and hours of shift changes.

[Question] A "hot" subject Comrade engineer; in connection with the summer season which has already started, what improvements does the new train schedule offer?

[Answer] Over the summer with its peak demand, we have called for 90 trains each with 500-1000 seats which will be put into service whenever traffic demands require them. In addition to this "strategic reserve," there will be the normally scheduled trains which number more than 50 daily with a 50,000 plus passenger capacity. In order to ensure direct connections between the Romanian beaches and our major urban centers (including Timisoara, Cluj-Napoca, Brasov, Iasi, Suceava, Tirgu Mures, Satu Mare, Baia Mare, Oradea, Hunedoara, Galati, Craiova, Petrosani Tirgu Jiu etc.) there will be long-range trains to cover these routes. For example, we have the accelerated train 446/845 from Tirgu Mures to Mangalia, the accelerated train 288/877 from Petrosani to Mangalia via Craiova, the accelerated train 666/865 from Iasi to Mangalia via Focsani and so on. I would also mention our concern to set up special trains to the seashore, to the Navodari resort, for transporting the children from all over the country.

[Question] What can you tell us about Bucharest, a hub for rail transportation?

[Answer] Our country's capital, with its great number of rail passengers, received special attention. From the North Station alone 101 trains depart and another 47 trains leave from the stations in central Bucharest. Ten trains will leave for the beaches from the North Station, another two from Bucharest Baneasa and three from Bucharest Obor. I should also note the special weekend trains for the pleasure of Bucharest citizens; the special round-trip Sunday train to the Snagov beach, train 7281 leaving Bucharest North Station at 0750 and arriving at 0828; on Saturday and Sunday and on the eves of legal holidays, the Predeal train 3011 leaving North Station at 1024 and on Sundays and legal holidays, train 3003 leaving Bucharest North at 0643 for Predeal and then

continuing on to Brasov. Of note too is that the new schedule makes use of facilities made available through new investments, including the new bridge at Cernavoda, the electrification and installation of automatic lines on the Tirgu Frumos-Iasi-Socola line, and the double electric lines on the routes Petrosani-Pestera Bolii-Banita-Crivadia-Baru Mare, Baiesti-Subcetate and Simeria-Simeria-Triaj.

[Question] I hope that we have drawn a picture that satisfies general interest of the new passenger train schedule that went into effect on 29 May. In closing, could you please note other new features which appear in the new train schedule?

[Answer] There is the extension of season for vacation trains to the beaches—through 18 September. In order to establish new direct links between the Danube and northern Bucovina, a pair of trains will travel between Galati and Suceava (via Adjud-Bacau). An accelerated train has been introduced between Bucharest and Calaras. There are now direct links between the two steel works—Galati and Calarasi. A pair of trains will make the Galati-Tirgu Mures-Deva-Lugoj-Timisoara route and return on a year-around basis. And one last new feature; a brochure with the new train schedule for both domestic and international travel has been printed in one million copies and has been put up for sale as they came off the press, starting with centers farthest from Bucharest and ending with those closest to the capital and in Bucharest itself. They can be purchased at any train station or travel agency. Have a good trip!

12280

## YUGOSLAVIA

### Leading Economist Offers New Self-Management Model

28000129 Zagreb DANAS in Serbo-Croatian  
31 May 88 pp 11-14

[Interview with economist Aleksandar Bajt by Drago Buvac: "Who Is Frightening Us With Managers"; date and place of interview not specified]

[Text] Prof Bajt's prediction has been completely fulfilled. In an interview that he gave our weekly a year ago, he presented an analysis that even today vividly demonstrates why economic laws are "caving in the roof" of the economic policy of the Federal Executive Council. Since then, one of the leading Yugoslav economists has for the most part kept silence in public—he does not give interviews and refuses, without stating the reasons, to participate in teams of experts, including Mikulic's commission on reforming the economic system. Nevertheless, the monthly issues of PRIVREDNA KRETANJA JUGOSLAVIJE [Yugoslav Economic Trends] published by the Ljubljana institute to which his name has been attached in the public mind—the Bajt institute—are required reading for all those who want to get a critical,

unbiased, and professional insight into the real state of our economy, with predictions that almost always turn out to be correct, regardless of whether the government finances them or not. The professor explains his public silence, if there are no other reasons, by the fact that he is persistently working on his book devoted to the key problems of the Yugoslav economic system. Finally, in a few days he will appear before the public again with his new book, "Self-Managing Form of Social Ownership" (published by the Globus publishing house in Zagreb, in Serbo-Croatian and Slovene).

[Question] It can be seen even from the title that the subject of your book is focused on the current changes in the economic system and the constitutional amendments. Naturally, it was not by chance that you picked precisely that "hot potato" of self-managing socialism.

[Answer] I did not choose the book's subject at random, but it is also a fact that I did not begin to write it in order to participate in the now ongoing discussions about the economic system and the Constitution. The subject presented itself as soon as the negative results of our economic activity—which after all could have been expected on the basis of theoretical consideration—were confirmed by empirical analyses. Everything else was more or less a coincidence: The serious discussions about the economic system took place when my work had already progressed considerably, and the corresponding commissions were formed when it had already been completed. I am also certain that the discussions of our system will not be finished even after the commission's final proposals and their acceptance in the laws and the Constitution, particularly since the completion of that work is now being artificially forced. The book will be a de facto contribution to a discussion—although more to a future discussion than the current one. Furthermore, it may perhaps contribute to a revival of the discussion, especially in directions that have so far been rather neglected. I hope to make that hot potato, as you put it, even hotter.

[Question] On what basis do you expect this?

[Answer] The current institutionalization of social ownership—with which my work primarily deals—has obviously not solved the problem of the efficiency of our system. If we really want to rebuild the present system, the problem of ownership—appropriation of what has been produced—must be resolved in some other manner.

[Question] Before we go on to your proposals about changes in this sector, could you briefly present some convincing facts about the inefficiency of social ownership in our country?

[Answer] The data that I present in my work show that the actual Yugoslav social product is lagging terribly behind the potential one. By potential, I mean the

product that some country would achieve if the efficiency of its investment, i.e., economic activity, were the same as in comparable capitalist countries. I did not take the most developed ones for these, but rather countries similar to us, such as Portugal, Spain, Greece, and Turkey. The calculations show that the SFRY's actual product is less than half of the potential one. In other words, if we did business just as efficiently as the countries cited, our country could spend twice as much. With the absolute value of public expenditures and investment in 1980 being what it actually was, our population's consumption could have been as much as three times higher than what it actually was. This is the explanation for the poverty of our population and the low personal incomes of workers. But naturally, after 1980 economic efficiency continued to deteriorate, catastrophically. For example, between 1980 and 1985 we invested an average of 25 percent of the annual social product, and thereby increased it by 3 percent. The efficiency was 0.024 percent—which again means that all those investments did not increase in the slightest either consumption or other forms of utilization, and that from their gross product it was not even possible to pay a third of the interest that they would be worth on the world capital market.

[Question] That is a very convincing explanation of it is so difficult for our economy to bear a real interest rate and why it is so difficult for us to repay our foreign debts. We can generally observe similar data on the inefficiency of investment, and thus also of social or state ownership, in other socialist countries as well, however. Is this the "original sin" of socialism, or rather, is our self-managing socialism concealing the shortcomings of state ownership?

[Answer] Last year Abraham Bergson published the results of a comparison of the productivity of labor in capitalist countries and socialist countries, while eliminating the effect of the organic composition of capital. According to those results, the productivity of labor in all the socialist countries is much lower than in the capitalist ones. Admittedly, in comparison with the other socialist countries we are still the least efficient, but we belong to a homogenous population of socialist countries with low labor productivity. This demonstrates that our social ownership is actually state ownership, just as in the other socialist countries. There are also other fairly convincing reasons for such a conclusion. These are investment rates over 30 percent of the social product ever since 1946, with at the same time an extremely low proportion of consumption by the population, a little over 50 percent, compared to 70 percent in the capitalist countries with which we can be compared. This drives personal incomes considerably below the value of the labor force in the capitalist countries. And since with enterprises' autonomy in distribution since sometime in the early 1960's onward the workers have been trying to normalize things, and thus increase their share in primary distribution, the state has begun to realize its

investment and consumption ambitions through inflation, and has driven down workers' real incomes by printing new money. Thus, in a way there is no difference with respect to the results of decision-making between our economy and the other socialist countries—since all together are radically different from those economies in which economic entities themselves make the decisions, the decision-makers have to be identical in every socialist country—and that is the state.

[Question] Our academic circles have long recognized the inefficiency of social ownership, and now many prescriptions are being offered...

[Answer] Allow me to interrupt this question. I do not believe that the inefficiency of our social ownership was recognized by academic circles a long time ago. On the contrary, it is precisely the scholarship that deals with the theory of the self-managing enterprise that has stressed that the self-management system achieves efficiency far greater than that of the capitalist system, and proved this by means of the high growth rates of the social product, especially during the 1950's. The argument is erroneous. It is less important that the 1950's cannot be considered a self-management period, and therefore even today many people consider its "successes" to be proof that the administrative type of socialism is superior. More important is the mistake of measuring the system in terms of the growth rate of the social product. This ignores the costs of growth, primarily the destruction of the product through inefficient investment. The product is increased, but not consumption—which is the purpose of production. Such growth, and the distribution based on it, can stimulate the state planners, but by no means the workers. Even this demonstrates that this is a question of state economic activity, not self-managing economic activity. As for the economists of the contractual economy, who assisted in the creation of the present system, they still believe in its superiority. I think that we became aware of the negative features of such a system only after 1979—and consequently they are identified with the latest, non-essential phenomena, such as high foreign debt and inflation. The essence of the system's inefficiency thus remains unperceived. We experience it as something accidental. For the most part, those economists are also responsible for the uncritical optimism of the politicians with respect to the system that they created—and they therefore oppose dismantling it. That is also the reason why even the most radical proposals for changing the system remain half-fulfilled or turn in the wrong direction.

[Question] Among those radical proposals, various forms of pluralism of ownership are being offered, from private to mixed ownership and the investment of foreign capital, all the way up to the introduction of bonds and shares. In a way that has even become fashionable. As you always go against the current, in reading your book we get the impression that you do not share that optimism, and that you are even afraid that all of this could threaten the self-managing socialist system.

[Answer] In principle, I do not have anything against private ownership. With the development of economic science, it can be seen that as a legal institution, it remains one of the significant production forces. Viewed in economic terms, i.e., with respect to production relationships, it turns into socialist ownership. Nevertheless, I consider the destruction of private agriculture and handicrafts to be not only economically fatal, but also politically and morally the "original sin" of this system. In any respect, especially in terms of socialism, it is counterproductive. Nevertheless, what is now being offered as reprivatization can only be for the naive. As long as the owners of shares do not have the right to sell them, they are not shares at all. The same thing applies to bonds. Without this, there is no capital market, at least not in the private sector. But with that right, our economy would soon turn into a capitalist one. If that is intended, I can give prescriptions that are much more effective. Naturally, today the population has an interest in investing in enterprises that can give it interest that the banks are not capable of paying. If banks become banks, capable of paying the value of borrowed money and capital, I would like to see individuals who would like to finance business directly for a dividend of one or two points, especially when the state guarantees bank deposits. More importantly, I would like to know how, with their present efficiency, our enterprises would be capable of paying a normal dividend or a yield on bonds. Some could, but on the average all of those payments would drive down real personal incomes even further. Furthermore, under conditions of primarily social ownership, the private sector of the economy, for instance in handicrafts or agriculture, is private in name only. Most of the factors determining its efficiency are determined by the social sector.

[Question] Does this mean that self-managing ownership is necessarily less efficient than private ownership, and that it should be protected or otherwise condemned to failure?

[Answer] With the present institutionalization, not only self-managing but also all socialist economic activity is condemned to failure. Whether social ownership can be as efficient as private ownership is a question to which I cannot give an answer. Undoubtedly, at the present level of production forces, private property is the superior form of ownership. It does not interest me whether it will cease to be at some time in the future. The socialist system, especially the self-management system, introduces some advantages, but it seems to me that they are not capable of compensating for the damage caused by the nonexistence of private ownership. I am proceeding from the self-management system as a given, however, as a social choice. I could say that it is also my choice, although I thereby expose myself to the criticism that I am committing myself. I am, at least, treating the self-management system as an experiment, as an object of scientific interest. And it seems to me that with an adequate institutionalization, self-managing economic activity could be made just as efficient as capitalist

economic activity—which is far below the ambitions of socialism, but at least for the time being would allow it to survive as a somewhat inferior fellow-traveler of capitalism.

[Question] What should be the starting points, in that direction, for increasing the efficiency of self-managing economic activity and ownership?

[Answer] In order for self-management to be possible, the enterprises in which workers operate must be completely autonomous. The decision-making in them has to be free decision-making by them. The workers have to be sovereign in decision-making. This automatically provides two other elements of efficient self-management. In the first place, when economic entities are independent, ties among them are established in the form of a market—naturally, with all those reservations known to economists about the long-term optimization of the structure of production and consumption. In the second place, this prevents economic decision-making by entities outside the economy, specifically, by the state and political structures, which constitutes the economic voluntarism characteristic of all known socialist systems. In that case, the state has the economic function that it performs in modern market economies, i.e., macroeconomic regulation by means of credit-monetary and fiscal policy, and as a minimum, at least the function that it performed in the system of classical liberalism of the 19th century, i.e., establishing and ensuring the functioning of the civil and criminal legal system, and primarily the principle of “*pacta sunt servanda*.”

[Question] You are exposing yourself to the criticism that the 19th century market cannot serve as our model.

[Answer] It is not, according to what I have said so far. But the market of the 19th century, its legal basis, is still an unattainable goal for us.

[Question] Let us go back to our basic subject, the possibility of efficient self-managing economic operation.

[Answer] When workers have sovereignty in economic decision-making and when, with equilibrium market prices for the factors of production, they can exercise control over their net income—the size of which is obviously a function of the quality of their decision-making—the basic question is what kind of decision-making structure they will choose in order to maximize their incomes. They can choose anarchic decision-making structures. The result is low incomes, however. As a rule, however, they will transfer the entrepreneurial decision-making function to paid experts, managers, to whom they will give sufficient authority so that they can maximize their incomes, not just because functioning as a worker and manager at the same time is impossible, because of limited working time, but also, above all, because the workers do not possess the necessary entrepreneurial capabilities. If one proceeds from the fact that

workers really want to maximize their incomes, and ensure themselves a life similar to life in comparable capitalist countries, they will delegate the appropriate functions to managers, voluntarily and in their own interest. The workers who do not want to do this would have to reconcile themselves to low incomes. They could not blame anyone except themselves for this. In general terms, this is the model that I would offer. The workers would really be free in their decision-making.

[Question] In this context, how do you solve the problem of social ownership? Who exercises it—society, the work organization, or the work collective?

[Answer] In a real sense, it is exercised by the enterprise. It has the right of ownership, while the collective, or the individual in a private firm, acts as the entity that makes the basic owner-entrepreneurial decisions. Delegating the operational entrepreneurial decision-making of managers is the essence of these decisions. In an economic sense, the owner is “everyone and everybody,” i.e., the entire population. With the existence of a market, the worker’s share in the product is determined by the market-established wage of the corresponding labor force, dependent upon the internal entrepreneurial system of distribution and the market-confirmed quality of labor. Since workers, through their work, also influence collective success, their earnings are also partly a result of that influence. There are also countless systems concerning this in capitalism. One must know, however, that the surplus value as such is the product of enterprise, and its function is investment.

[Question] Does this mean—and we note this heretical idea in your book as well—that the worker cannot be an entrepreneur?

[Answer] The worker is a worker, since he is not an entrepreneur. If he had entrepreneurial abilities, he would be an entrepreneur and not a worker. In this respect, there are considerable possibilities for differentiation in our economy, and not just in the capitalist economy. The idea that a worker could be an entrepreneur if he possessed the capital is basically mistaken. If he were an entrepreneur, he would have the capital, because he had created it. If he acquires capital as a non-entrepreneur, the most rational thing is for him to spend it and be employed as a worker, since otherwise others would take it away from him and use it, through competition. One of the functions of enterprise, which workers cannot perform in any case, is the selection of the collective, i.e., of its members. As Joan Robinson says, the collective cannot cripple itself by firing some of its members. Consequently, the delegation of at least some entrepreneurial functions to managers is inevitable.

[Question] Nevertheless, do we have such an entrepreneurial class that has assumed such a role in increasing the efficiency of self-management?

[Answer] I could hardly claim that we have such an entrepreneurial, actually managerial, class. The present directors have become part of political structures and promotion systems with non-economic criteria as the basic ones, but the sole criterion of a successful manager is the amount of capital formation that he is capable of creating. I believe, however, that with increased autonomy for enterprises a managerial class would begin to develop very quickly, and thus a market for managers would also be automatically created. They could replace the present class of politicians, which would correspond to Engels's idea that in socialism rule over people will be replaced by the management of things. The assumption of commercial risks by managers would be limited, however. That is also the case in capitalism, after all. If the managers assumed the full risk, they would become the private owners of capital.

[Question] In that case, how would managers assume the risk in our self-managing system, and how could workers who do not own shares control them?

[Answer] The risk assumed by a manager is primarily the risk of a personal fiasco and a drop in his value in the manager market. In capitalism there really are very important owners, who discharge managers, if not directly then through the sale of stocks. In a self-managing system this is inconceivable, because it would mean the end of it. To whom would the workers sell their stocks? To each other? To the managers? To other people? Isn't it clear that this means the introduction of a capitalist system? In other workers, I am not rejecting the possibility of shareholding, but rather the system. The politicians who, while swearing by self-management, see a solution in that kind of control of efficiency through shares, have lost any sociopolitical orientation. In a self-managing system, however, control by private owners could be replaced by control by the workers, but not through shares and their dividends, but rather through earnings. Managers who are not capable of ensuring normal earnings for their workers would be rejected, just as in capitalism. In a certain sense, such control of managers would be even more effective than the control exercised by private owners in capitalism. Just as in the capitalist economies, initiatives in that direction would come from other managers and enterprises that would like to expand their control and efficiency over others, and they would be encouraged by the workers of the unsuccessful enterprises. That, instead of the present political influence, would lead to integration across territorial borders. That process, naturally, would take place within the self-managing sector, and all of the forms known in capitalism would be used, from stocks and bonds to a capital market.

[Question] With such a vision of entrepreneurial socialism, are you not exposing yourself to the danger of being ideologically accused of advocating a "capital relationship" and offering the infamous technomanagerialism?

[Answer] To tell you the truth, I do not know what that capital relationship is. As far as technomanagerialism is concerned, it was condemned in the early 1970's by political managers, whose political monopoly was threatened. In a system of consistent self-management, however, the usurpation of self-management rights is not possible, except in the short term. Consequently, the really serious danger both to efficiency and self-management comes precisely from the political managers. By definition, the workers' sovereignty in decision-making eliminates political managerialism, while it turns technical managers into the instruments of the workers... And another thing: if I still try to use such a sociopolitical superargument against efficiency as the "capital relationship," it remains limited to relations among enterprises and is not transferred to relations among workers, which are formed in accordance with their individual labor productivity, as soon as we consent to a market and equilibrium prices for products and factors of production. All of this determines the limits of one's own product. In that case, interest rates are also a product of one's own savings. Nevertheless, as we consider a high surplus of the product above the value of the labor force to be a product of enterprise, for which reason it is used for investments, it will not be transferred to personal incomes and it will not become a cause of differences in earnings for equal work among enterprises.

[Question] In contrast to our other economists, you do not consider our main problem to be how to preserve and increase social ownership and capital formation, but rather how to make it more efficient. Judging by the current proposals for regulating the rate of capital formation in our society, are you thereby expressing a completely different view of changes in the economic system?

[Answer] The currently prevailing views on changes in the economic system are encumbered by a dispute among Yugoslav economists, which is actually a quarter century old already, concerning the normal price. Obviously, the shift from the idea of an income price to the production price is considered decisive. Unfortunately, the attempts to reconstruct the system are limited to distribution, instead of focusing on production and higher productivity. The diagnosis of the situation is wrong. All of the measures aimed at improving economic operation are proceeding from the assumption that the basic problem of our economy is the amount of capital formation. Along these lines, people are seeking to introduce interest on operating capital and adding elements of real economics, such as real depreciation and real income, and trying to use state regulations to ensure that extra income is allocated for investments—in short, state measures to "protect social property." Nevertheless, you see, capital formation has never been a limiting factor in any period of our postwar development. It is not now, either; it is even higher than our investment capabilities. Ever since 1958 I have been emphasizing

that our basic problem is the efficiency of investment—and that means entrepreneurialism. Without it, investment is reduced to nonproductive destruction of the product. I therefore devote the most attention to an institutionalization of decision-making structures in self-management that would make it possible for them to act as entrepreneurs as successfully as possible. Then “production of the capital formation” would not even be necessary. As long as we do not develop our system to that extent, it will remain inefficient, and capital replacement will be possible only through coercive methods and state regulations for determining the distribution of income.

[Question] In your opinion, then, the very diagnosis of why self-management is not satisfactory is wrong, as well as the solutions that are now being offered?

[Answer] Naturally. The reason for our problems is economic autonomy that is not too great, but rather too small, and actually nonexistent. The indications on the basis of which the economy makes decisions are systematically wrong. Who would save money or who would loan it to him at a negative interest rate? Who would not raise prices when the state ensures sufficient demand through its monetary policy? If such a system could be efficient, this would already have been demonstrated in the Soviet Union, where the state determines distribution and consumption, and even the rate of capital formation. It is a big mistake for enterprises to be created by enterprise laws. The Soviets have enterprises too. In our case we are talking about fundamentally different views of economic activity, as well as motives. All of the measures currently being proposed, economic as well as institutional, are basically an attempt to introduce order,

uniformity, and predictability—in short, a strictly regulated economy and market. Unfortunately or fortunately, as you will, the economy is far from those ideals of the bureaucrats, especially at low levels of development.

[Question] We do not doubt that your support for a new type of entrepreneurial self-management is based on economic analysis, but you have to take into account that you will raise the issue of the extent to which this contributes to the political climate, proposals, and interests of Slovenia.

[Answer] In my thinking, I have always kept the Yugoslav economy as a whole and its benefit in mind. Republic thinking is foreign to me, and so you see that I do not deal with such problems as “who is exploiting whom,” because it is theoretical nonsense. I really do not even know what the view of Slovene self-managing entrepreneurialism is like. I know that my view supports efficiency, and is thus in the interest of all those who want an efficient economy and that kind of worker. In a voluntaristic system, all of us together and each of us individually lose a tremendous amount, and we begin to suspect each other of being responsible for our own misfortune. This naturally suits political structures, who, following the policy of “divide and rule,” postpone changes so that it will not be seen that they, as the true owners of social property, are the ones who are responsible for the loss of what is now close to two thirds of the potential social product of our economy.

## POLAND

### **Drug Problem, Addiction Grow; Issues Addressed** *26000522a Warsaw RZECZSPOLITA in Polish* 22 Jun 88 p 4

[Article by (jea): "We Cannot Neglect This Scourge"]

[Text] For many years, it seemed that the wave of drug addiction would pass our country by. Indeed, until the end of the 1960s this was a marginal phenomenon in our country. Since the mid-1970s it has become a significant problem.

Children and young adults are the first to succumb to it. According to the data of the Ministry of National Education, last year about 4,000 cases were uncovered where students of elementary and secondary schools abused various substances. Over the same period of time, the MO [Citizens' Militia] recorded 16,229 drug addicts who had a brush with the law. It is estimated that the number of addicts in need of special treatment is somewhere close to 35,000, and those endangered—200,000.

Drug addiction is a classic example of a problem which no state can solve on its own and which can only be controlled through international cooperation. This was expressed clearly during the proceedings of the International Conference on Abuse and Illegal Trade in Drugs and Psychotropic Substances in June of last year in Vienna. At this time, the recommendation was also made for the UN to designate 26 June the International Day of Preventing Drug Addiction.

This was recalled on 20 June at a press conference at the Ministry of Health and Social Welfare. Along with representatives of the Ministry of Health and Social Welfare, Ministry of Justice, and Ministry of Agriculture and the Food Industries, activists from three largest anti-drug societies, the Association for Preventing Drug Addiction "MONAR" [Young People's Movement to Combat Drug Addiction], the "Forge" and the "Return from Dependence" ["Powrot z U"], took part in the conference.

The International Day of Preventing Drug Addiction will become an occasion for organizing numerous consciousness-raising and propaganda activities. After all, a majority of the populace still are not aware of the scope and nature of this phenomenon.

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### **'Hereditary Social Inequality' Denied; Poor Wages, Education Blamed**

*26000522b Warsaw ZYCIE WARSZAWY in Polish*  
20 Jun 88 p 3

[Article by Prof Barbara Zawadzka, Institute of the State and Law of the Polish Academy of Sciences: "Inequality—Yes, but Which Way?"]

[Text] Prof Maria Jarosz has touched on an incredibly important issue of social inequality in Poland in her interview given to Krystyna Lubelska, entitled "Hereditary Inequality" (ZYCIE WARSZAWY, 4-5 June). This

issue is of fundamental significance both from the standpoint of current policy (proper allocation of welfare benefits, aid in entering college, etc.) and of broad-scale institutional arrangements.

The old patterns of social structures, which at one time reflected social relations shaped on the basis of the capitalist mode of production, have undergone considerable changes during social transformations over almost half a century. However, I suspect that Prof. Maria Jarosz proceeds from these very patterns in her considerations of social inequality and its educational and social consequences.

After all, she treats educational differences between the children from intelligentsia families on the one hand, and those from working-class and peasant families on the other, as the result of the financial handicap of workers and peasants compared to the intelligentsia. This runs counter to the [data in] the statistical yearbook and quarterly press releases on the level of average wages in the sphere of material production (where workers are the main element) and outside of it in the sphere financed from the state budget (where the so-called intellectuals are the main element). In 1987, the average monthly remuneration in the sphere of material production amounted to 25,222 zlotys, and outside this sphere—20,295 zlotys. Thus, the difference was appreciable and amounted to 20 percent.

Could it be that, contrary to what the journalist interviewing Prof Jarosz suggests, it is not the children of workers and peasants who "have to struggle with want at home?" Could it be that such a need befalls most often the children of teachers, nurses, and even young doctors and engineers before they move up to higher levels of their professional careers? Sure, there are considerable differences between industries and enterprises within both spheres and inequalities in the cultural environment for the development of the child. This depends both on the educational level of the parents and the place of residence. However, such divisions are not identical with class divisions in the conventional sense. I maintain that, for example, a working-class child in a large city with access to (luckily, the still free) libraries and other cultural facilities has better conditions for development than, say, the child of a rural teacher or a GS [Township Warehouse] cashier (also "an intellectual" according to the peculiar Polish understanding of this notion).

The most important thesis by Prof Maria Jarosz is that in present-day Poland "social inequality is hereditary," that is, a person most often remains in the same social milieu he was born in. Unfortunately, the author does not explain which milieus are "better" and which are "worse" in today's Poland.

At one time, in capitalist Poland, all of this was clear. People doing hard and simple work, low-paid and living in poverty for generations, occupied the bottom of the social ladder. The intelligentsia and petty bourgeoisie

were higher, and also stratified according to skills, and wealth as well. Rich owners of the means of production and people from the highest levels of the power apparatus were at the top of the ladder. For people from the lower steps of the ladder, it was a genuine and great advancement when they joined the category of so-called "white-collar employees," whom even the labor and social security law of the time separated from the workers' mass and bestowed on them more favorable entitlements (these differences were eliminated only in the 1970s).

This was not only advancement, but also the grant of nobility. These were specifically Polish phenomena, probably associated with the strong tradition of nobility and the lack of a powerful, rich and enlightened middle class in our history.

This social ladder was immediately overturned by the people's revolution. Its rudiments still lingered in the social consciousness for some time (and apparently have until now), as expressed, for example, in the cases immediately after the war when meritorious employees—workers were rewarded by a transfer to the position of an official. Certainly, it ranked low in the hierarchy of service and was regarded accordingly, because the skills the meritorious employee had before were of no significance in the new position.

We are still not clear about what we have created instead of this overthrown ladder. What is the expression of social advancement today? For example, if the son of a miner becomes a teacher—is this social advancement? And if he becomes a physician, a professor, an officer? What if, say, the son of a lathe operator, installer of sanitation equipment or cattle caretaker from a PGR [State Farm] makes one of these professions? It can be seen immediately that the level of income cannot be the only criterion of advancement, that moving up on the ladder of social prestige also matters. However, taking this criterion into account does not make answering the question at hand much easier. Which of the hierarchies is more important in the social consciousness; what is the social perception of advancement? Using the notion of a social ladder does not make sense if we are unable to outline, at the very least, its highest and lowest levels.

If we do not know what is situated "higher" and "lower" in the social hierarchy, than let us not talk about "hereditary social inequality." Let us talk exactly about what is of concern to Prof. M. Jarosz, i.e. the hereditary educational level, the very small influx of young people from working-class and peasant families to colleges in recent years. I have shown above that we should not look for the causes of this negative phenomenon in the financial disenfranchisement of these classes. Differences in the financial situation now run in the exact opposite direction. Is cultural disenfranchisement of these classes a factor? I believe that the place of residence—large cities as opposed to small towns or villages—is much more important than the educational level of parents.

A secondary school student who lives in a large city will find the proper sources of knowledge easily, regardless of the educational level of his parents, if only he is inquisitive, and this is a basic factor qualifying a person for college. The teacher should point the way to proper sources of enhancing the knowledge of the world to a gifted student of a rural school. It is not impossible even for the students of senior grades in the elementary school to travel, say, once a month to the provincial library to get books, from which you can indeed learn a lot regardless of the level of the school and other unfavorable conditions. However, the teacher does that all too seldom. Why?

Firstly, because our profoundly formalized and dogmatic school system, which puts a premium first of all on affability and good memory (mechanical), very often fails to identify the child with a truly creative gift. Secondly, because teachers, poorly paid (education ranks the last but one on the table of wages, ahead of the health care system), overworked in pursuit of extra earnings needed to support their families, frustrated and bearing a grudge against the whole world, have no time and desire, and frequently the skill, to do that. The status of education, generally worse in rural areas than in urban ones, rather than the traditional class distinctions, is the main reason for a weak influx of young people from small localities to colleges. However, the basic cause of a weak influx of young people from working-class and peasant backgrounds to colleges is found in the same phenomenon which renders obsolete the traditional division into workers and peasants as the "under-privileged" strata and the intelligentsia as the "privileged" one: this is the direction and scope of difference in wages between the sphere of material production and fields outside of it, where a majority of intelligentsia professions operate. This is an apparent wage handicap for fields outside the sphere of material production. Besides, within each of the spheres there are differences in wages not always justified by differences in the level of skill...

Going to college makes no sense financially, and this is the main reason for having the social composition of the student body which we have. Prof. Jarosz talks about the difficult financial situation of young people. Let us, however, finish saying it: we are talking about the young intelligentsia. It is exactly them, young teachers, physicians, and even engineers, who cannot support their growing families without financial help from their parents considerably more often than young lathe operators or iron mill workers. In the absence of financial incentives to go to college—we might even say there are disincentives—non-financial incentives are decisive, and among them the cultural traditions of the family home. Obviously, these are considerably more of a factor in the intelligentsia families, and not because the salary of the already grown-up child is needed less there than in working-class families. The reason is that cultural needs and the tradition of education are stronger. As can be seen, these factors make a quite profound impact. However, until the wage ratios, unfavorable for the non-material sphere, change, we should not expect increased

influx of candidates for college admission from working-class and peasant families. Nor should we expect the school system to equalize educational opportunities for the young people more efficiently.

Disproportions in wages between the two spheres have developed over decades. However, they have never been as large as they are now. We cannot level them in one go, but we should be aware of the results of [this] phenomenon.

The other conclusion is more general. We should carry out sociological research on the actual social structure. It should bear fruit in the form of publications and public discussions. Such research and discussions should not be hampered by the fear of abandoning the schemes which do not at all fit [actual] life, but are still considered inviolable. Along with researchers and funds for research, we also need courage in research.

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