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JPRS-EER-86-196

30 DECEMBER 1986

East Europe Report

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30 DECEMBER 1986

EAST EUROPE REPORT

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CURRENT GAINS HELP DETERMINE FUTURE AGRICULTURAL POLICY, GOALS

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 34 No 11, Nov 86 pp 1601-26

[Article by authors' collective: Klaus Ahrends, Kurt Groschoff, Richard Heinrich, Wolfgang Mueller, Hermann Wirsig; all from the Agricultural Research Branch of the Institute for the Political Economy of Socialism, Academy of Social Sciences, CC SED. Original title: "Aspects of Social Developments in Agriculture after the 11th Congress of the Socialist Unity Party of Germany." The first two paragraphs are an English language summary provided by the source.]

[Text] The authors deal with selected questions concerning agrarian policies in the second half of the 1980's. In view of the decisions adopted at the 11th party congress, they identify first the new and higher demands in order to implement the economic strategy in socialist agriculture. In a condensed form they illustrate the results achieved in this field during the previous five-year plan period and show that comprehensive intensification of production has become a characteristic feature also in agriculture. From this follow conditions and possibilities to further enlarge the scale of comprehensive intensification. Much attention is attached to the problem of yield and performance development as well as to questions concerning structural developments in the fields of plant and livestock production.

In the second part of their contribution, the authors discuss basic development trends in rural production relations. These relations are characterized above all by increasingly higher legal and economic responsibility of the agricultural production cooperatives and intensified cooperation among economic units. Detailed attention attaches in this connection to

- the inherent potentials of cooperative property,
- cooperation in agrarian production and inter-farm cooperation, and
- the perfection of planning and economic accountancy.

In conclusion, the authors touch upon the development of living conditions in rural areas.

The agrarian policy decided on at the 11th SED Congress aims at "further developing agriculture as an efficient part of the economy."¹ Agriculture is expected to ensure stably and at an increasingly higher level the output of foods and agrarian raw materials at a volume, quality and structure according to growing demands and through further reduced specific expenditures.

Agriculture, for all that--as all other economic sectors and branches as well--faces the task in the coming years to deepen comprehensive intensification and place it on a permanent and stable foundation through applying the economic strategy in practice. Werner Felde commented on that as follows: "While making the transition to comprehensive production intensification and in connection with the spread and perfection of industrialized production methods, labor efficiency and productivity have to be steadily increased and have to assume a growing share in the national income. Through implementing the unity of economic and social policies and the party's agrarian policy objectives, rural living conditions have to be further improved."²

The solution of these tasks decisively affects the GDR's political, economic, and social development. On a steady production and efficiency growth of agriculture depends not only the socioeconomic development of the class of the cooperative farmers--the chief alliance partners of the workers class--but it greatly also determines the standard of living of all working people and the rate of economic performance improvement.

The role of agriculture in the economic reproduction process is expressed mainly in that nearly two thirds of the primary raw material production in our republic is biogenous in origin and roughly 50 percent of the retail trade turnover consists of food and delicatessen, the substantive basis of which are mainly products of the LPG's and VEG's. To an increasing degree the cooperative farmers and socialist agricultural workers are moreover engaged in land cultivation the economic and social importance of which keeps mounting.

The Turn Was Taken to Comprehensive Agricultural Intensification

Comprehensive intensification is the objective economic foundation for the development of socialist agriculture all the way to the next century. This process determines the essence of all economic development--agriculture included. The SED Central Committee report to the 11th party congress sketched the economic aspect of comprehensive intensification in socialist agriculture as follows: "What counts, essentially, is to increase the output of crop and livestock products per hectare faster than the investment in live and embodied labor."³ Comprehensive intensification in the socialist agriculture thus mainly entails the inseparable connection between production and efficiency growth and the trimming of prime costs per production unit through increasing the hectare yields and the livestock performance.

In the 1980's GDR agriculture achieved noteworthy results in turning to this new quality of intensification. According to the 11th SED Congress, agriculture too has made the transition to comprehensive intensification during the last 5-year plan. This fact constitutes an important caesura in agricultural development. Whereas in the years up to the 1980's higher yields and greater labor productivity commanded central attention in intensification, the trimming of specific production consumption was added to that in the 1980's. That ended the phase of fund, energy, and material-intensive reproduction. The qualitative factors became decisive for agricultural production growth.

A creditable impetus is noted in agricultural output and its effectiveness. The targets assigned by the 11th SED Congress for crop and livestock production were surpassed significantly. The contribution agriculture is making to the national income, and hence to the national economy as a whole, has grown considerably.

The results achieved between 1981 and 1985 in the context of both production and efficiency growth may be summarized in these terms:

First: Crop and livestock production achieved the highest production level thus far. The total yield of crop and livestock production, which between 1976 and 1980 came to 243 million tons of grain units, rose to 264 million between 1981 and 1985.⁴ At such total growth it was of extraordinary economic importance that crop production, at 11 percent, grew twice as fast as livestock production, at 5.4 percent.⁵

Second: In crop production, the gross turnover of between 1981 and 1985 was increased over that of the previous 5-year plan by 5.1 decitons of grain units per hectare of agricultural acreage.⁶ And the rate of growth in this decisive branch was further speeded up. Between 1961 and 1970 an annual growth of 0.4 decitons of grain units per hectare was attained. The average in the years between 1971 and 1980 came to 0.54 decitons per year and hectare. The growth in the 1981-1985 period, however, reached 1.02 decitons.

Third: The long-term orientation to grain production intensification and to getting away from grain imports has proven itself. Grain production grew faster than crop production at large. While crop production at large reached a trend of 11 percent, the grain yield of an average 35.8 decitons per hectare between 1976 and 1980 grew to 41.3 decitons per hectare between 1981 and 1985, i.e. 15.4 percent.⁷

For all that, the different grain varieties show different rates of growth and of the exploitation of the usable yield potential (cf. Table 2).

Fourth: Dynamic agricultural development also was rendered certain by boosting feed output. In the last 5-year plan the feed output out of our own crop production was raised by 17 percent. At that, the yield in concentrate feed (grain, root crops) grew faster than the bulk fodder output. Some 73 percent of the fodder energy increase is concentrate feed with an energy value of circa 4 million tons of grain. It made possible expanding our own fodder base by raising it from 79 to 90 percent.⁸

Fifth: As in the economy at large, agriculture saw new qualitative developments in efficiency and productivity. That is reflected by increasing in-house and net production and dwindling specific production consumption and a more favorable cost/benefit ratio.

The year 1980 set at 100, net production rose to 115 by 1985, labor productivity to 110, and production consumption to only 104 percent. Thus production grew faster than consumption. Trimming production consumption is among the crucial issues for the new qualitative development of socialist agriculture.

These and other results of socialist agriculture in the first half of the 1980's confirm that the SED's economic strategy has in agriculture also ensured a dynamic development, aimed at comprehensive intensification.

Fine premises were laid for a deepening comprehensive intensification during earlier 5-year plan periods. The economic potential of the subjective factor in agriculture has grown significantly.⁹ Roughly 90 percent of the people working in agriculture now have complete technical training. Among them are 72,355 college or technical school graduates. Compared with 1970, agriculture thus has for solving its production tasks 36,600 college and technical school graduates more available.¹⁰ On the average the various LPG's and VEG's now have all more than 13 college and technical school cadres.

A largely modern material-technical base was set up which makes possible increasing output and reduced specific expenditures. Between 1971 and 1985 circa M 75 billion were invested. Capital assets in forestry and agriculture reached a total of M 116.5 billion in 1984.¹¹ Each person working in this economic sector today commands twice the basic assets as in 1971. The technical level of the basic assets is relatively high. Many machines and devices are international top products. Livestock production has stables and installations available which to 62 percent for the cattle and 63.5 percent for the pigs were built only after 1960.

GDR agriculture has a large, efficient scientific-technical potential. In the perimeter of the Academy of Agricultural Sciences, the universities, and the agricultural colleges, research capacities have been set up that facilitate a further acceleration of the scientific-technical progress in agriculture. All bezirks have set up scientific-technical centers to apply and popularize new data fast. Together with the extensive production experiences in the LPG's and VEG's, fine prerequisites are thereby established for the needed performance and qualitative improvements. An improved utilization of these and other factors is a crucial factor for deepening our comprehensive intensification.

Table 1: Annual Average Production and Efficiency Growth in the 1981-1985 5-Year Plan (in percent)

Own production of grain units	2.5
compared with	
the gross turnover in grain units	1.8
Labor productivity ^{a)}	1.6
compared with	
production	1.2
Net product	2.3
compared with	
<u>the gross product</u>	1.2

^{a)} Computed on basis of net production

Source: K. Schmidt, "The Implementation of the Economic Strategy in Agriculture and Economic Requirements for Further Intensification," KOOPERATION, No. 1, 1986, p 30.

Higher Effectiveness of the Scientific-Technical Progress Prerequisite to Further Efficiency Increases in Agriculture

High production and efficiency criteria call for a new step in coping with the scientific-technical revolution. In this, agriculture is increasingly becoming a branch that is using applied science. Especially that involves the connection between agrarian science and agricultural production. Production processes must be more scientifically focused, scientific-technical progress must be more compellingly enforced, and a broader economic utilization of scientific data must be ensured in the LPG's and VEG's and their cooperative facilities. The key technologies are gaining great importance in this process. "Penetrating changes are going to take place in the agricultural reproduction process through the application and utilization of microelectronics, computer technology, biotechnology, the growing of new and the perfecting of existing crop varieties and livestock genera, and through gen-technology."¹²

Among all reproduction conditions, agricultural production is a process strongly under the impact of nature in which agrarian raw materials are produced on the basis of natural resources and the results of it are significantly affected by natural conditions. Through the close linkage between the natural and the economic process the stable production growth rates and the deepening of comprehensive intensification in agriculture largely are dependent on how well one succeeds in exploiting and purposefully raising the yield potentials of the soil, the crops, and the livestock at a higher effective degree. What it comes down to is to connect and coordinate the most important intensification factors, notably complex mechanization, chemical treatments and amelioration, with the exploitation of all natural forces.¹³ Completely new possibilities arise there then through the application of key technologies, notably microelectronics, computer techniques, and bio-technology.

Natural forces and biological growth factors fluctuate greatly in the appearance they make in the reproduction process; to uneven degrees and with differing applications are they, locally and in terms of when, usable. A better exploitation of them requires a far stronger differentiation among prevailing intensification measures than hitherto. A specific approach to concrete site conditions and cultivation factors (dryness, wetness, structural soil damage, nutrient deficiency and pathological symptoms), and the development of the stocks or of the animal or equivalent groups of animals make possible a better utilization of the genetic plant or animal potential and of the site potential as well as obtaining stable growth rates at improved efficiency.

To increase the yield of crops per hectare over the cost in live and embodied labor, one must also pay more attention to the complex use of all yield-controlling factors. According to Kundler, very large yields as a rule do not require very high increases in expenditures, but mainly optimum combinations of measures at precise degrees in conformity with the weather, soil condition and stock developments.

Decisive are a more effective use of the soil, the chief means of production, and a broader reproduction of its fertility. Steadily enhancing soil fertility is a central economic requirement in all phases of intensive extended reproduction. The development of soil fertility reflects the level of the material

productive forces and the degree of the control over nature. High soil fertility in the yield level attained, and even more yet for the one aspired to, proves an ever increasing important precondition for permanent high and stable yields. That way one taps more gratuitous services the natural factor renders, which can then be made effective for boosting production and cutbacks in specific expenditures.

Along with efforts toward improving soil fertility, a better use of the biological growth factors calls for high agronomic discipline, especially a better use of the crop rotation rules and the meeting of agrotechnical deadlines. Those are essential qualitative factors in yield formation which facilitate higher results on the basis of lower extra expenditures.

Through computer-aided production preparation and inventory-keeping, the work with acreage-related maximum yield conceptions is being further refined. This facilitates bringing a targeted influence to bear on the yield formation in the various cultures. The broad use of modern computer and information technology opens new opportunities for using the given specific site conditions and those of the type and variety of crops, of the weather or of possible parasites more effectively for high yields and the lowest possible expenses. "Where corn fields in this fashion become fields for applied science, man exercises a greater influence on yield formation than does the weather."¹⁴

The first installed systems for the production control and direction in dairy plants,¹⁵ the embryo transfer in cattle breeding, and other things demonstrate how step by step also in livestock production microelectronics, robot and computer technology, and bio-technology affect the growth of output and efficiency.

Crop Production Development

To meet the new and higher demands the 11th SED Congress imposed on agriculture, crop production intensification has to be carried on faster, as a priority,¹⁶ More crops continue to be the basis for increasing supplies in volumes and qualities, relying on our own resources. This relates mainly to maximal feed production, including more concentrate feed, improving the quality of bulk feed, a higher protein content, and the reduction of fodder losses.

For up to 1990, a total crop yield of annually 50 to 52 grain units per hectare is planned. To get there, one has to increase the hectare yields by an average of 1.7 percent annually.¹⁷ In terms of grain units, one thus needs an annual growth of 0.8 decitons per hectare. To get approximately equal growth rates as in the last 5-year plan at a starting level that is already higher by 5 decitons per hectare illustrates the high demand placed on the crop production development. An increasing number of LPG's and VEG's proves this objective is obtainable if all yield-determining factors are observed and controlled in a complex and differentiated manner. The yields of all cultures have to be increased through a better use made of natural conditions, funds, and the usable yield potential. The results and experiences of the last 2 years make clear that "through exploiting all reserves by 1990 average yields per hectare of 50 dt of grain, 300 dt of potatoes, and 400 dt of sugar beets are a realistic objective."¹⁸

Grain cultivation went through a very positive development in the last 5-year plan. This trend continued successfully through 1986. Though the weather conditions were bad, we again got a grain output of 11.6 million tons. The yield per hectare came to 46.3 decitons. In 1985 the yields were especially high for winter wheat, winter barley, and brewage barley. For those cultures the yield potential of the varieties grown was, at the republic's average, exploited already up to more than 70 percent (cf. Table 2).

There are reserves, mainly for the rye. As rye covers nearly 30 percent of the grain grown, its yields have a considerable effect on total grain output. In the LPG's and VEG's on lighter soils, mainly in the bezirks of Potsdam, Neubrandenburg, Schwerin, and Cottbus, and in some other kreises, rye even is the major grain grown. There the entire economic outcome in those enterprises, including the concentrate fodder supplies for the livestock production enterprises, is by and large determined by the rye yields attained. Yields of more than 40 decitons per hectare on light soils and more than 50 decitons per hectare on the better soils are considered attainable targets for rye cultivation.

Meeting the 11th SED Congress requirements calls for higher growth rates, especially, for the potato and sugar beet output.

In 1985, the usable yield potential for sugar beets was exploited up to 60 percent. The yield growth of these cultures lagged behind that of others. Some LPG's, like the one in Bottmersdorf, did already reach stable yields of more than 400, in part even 500, decitons per hectare. Along with certain factors of location and cultivation, it is in particular the crop rotation, the organic fertilization of the soil, and the extra irrigation on which the size and stability of the sugar beet output depends.

In 1985, through an application of 16 decitons of reproducible organic substance per hectare of acreage, one third more of organic substance was already put into the soil than in 1980. But there still is a deficit of 2.1 decitons per hectare in the balance between the removing and adding of organic substance. Sufficient humus thus becomes the major aspect for improving soil fertility. Mainly through a complete utilization of all organic fertilizers, through growing more produce and using more communal organic waste products, can further humus reserves be tapped. The cooperative farmers and agricultural workers have committed themselves to producing, in 1986, 9.3 million cubic meters of organic fertilizer, i.e. 0.8 million more than last year.¹⁹

Table 2: Development of the GDR Grain Output

	Decitons per hectare		1985	Exploitation of the Potential (percent)
	1976/1980	1981/1985		
Winter barley	41.4	45.5	52.3	73
Winter rye	27.2	32.3	36.4	59
Winter wheat	41.9	49.2	52.9	75
Summer barley	33.4	40.9	45.3	72
Oats	33.4	37.8	41.3	68

Source: H. Zimmermann, "Exhausting the Usable Yield Potentials from the Vantage Point of the Central Office for Varieties," KOOPERATION, No 2, 1986, p 59.

The potatoes' usable yield potential was exploited up to 59 percent in 1985. That fact demonstrates how great the reserves still are for the potato production and that a growth in output of an average 3.4 percent annually is still attainable up to 1990. International top values for exploiting that yield potential range between 70 and 85 percent. And those are values that are in fact being reached by progressive LPG's and VEG's in the GDR. At that, there are mainly three sets of circumstances crystallizing that are controlling the yield and quality of the potatoes: the use of high-grade crops, ensuring optimum rooting space during the ground working and cultivation, and secure stock maintenance all throughout the vegetation period. Potato yields are to be further extended through getting more of a control over those yield and quality-controlling factors. And while the eating potato consumption remains more or less constant--or even slightly declines further mainly because of the improvement in quality--the concentrate fodder balance is improved.

For exploiting the higher potentials of the cultivated plants varieties, observing exact schedules is gaining increasing importance. The very fact that in spite of the very good 1985 grain harvest, 25 percent of the winter wheat and the winter barley and 40 percent of the winter rye were not sown within the agrotechnically most favorable time spans in 1984, indicates there are reserves. Through the 11th SED Congress orientation "to raise the impact of technology for ensuring optimum schedules for sowing, cultivation, fertilization, crop protection, and harvesting,"²⁰ account is taken of the fact that when the most favorable sowing schedules are missed, e.g. for winter grain, an average yield loss of between 20 and 30 kilograms per hectare and day is incurred. This shows the largest losses for grain come before the harvest. The efficacy of herbicides likewise often depends on applying them during specified days.

For optimally determining these schedules and the volumes, which depend on various factors, periodic agrobiological controls and soil and crop surveys as well as the use of modern sensor and computer techniques are of immense importance.

Advances also were made in the last 5-year plan in the production of bulk fodder. Its production rose by 9 percent. That, along with the higher grain and potato yields, was a significant basis for surpassing the production goals in livestock production and increasing the self-supply degree for fodder. The intended increase in the output of animal products requires a further growth of the feed volume and a definite improvement of the feed quality. Reserves lie mainly in increasing the yields of green and silo corn, the intensive working of pastures, expanding the sowing of granular produce for feed purposes, and the reduction of storage and canning losses.

Table 3: Average Yield Trend

	Yields dt/ha		Average annual growth (percent)
	1981/85 (actual)	1990 target	
Grain	41.3	45-47	1.6
Potatoes	206	250-270	3.4
Sugar beets	294	370-390	3.8

Source "Statistisches Taschenbuch der DDR 1986," [cf. footnote 6], p 76; "Directive," [cf. footnote 16], p 79; own computations.

Not only to a "complete self-supply in feed grain for livestock production" did the 11th SED Congress give direction, but also to "creating the prerequisites, through expanding the growing of high-yield, protein-rich cultures, for raising protein production, step by step, together with industry."²¹ For that it is intended to expand the growing of granular produce from 6,000 to 45,000 hectare while increasing the yields. That requires releasing an area of nearly 40,000 hectare by boosting the potato and bulk fodder yields, because acreage reserves do not exist, as one knows. Especially here one finds close relations between the yield trend and the necessary as well as possible scope for cultivating the different cultures. Releasing resources through intensive use is the only possibility, especially with regard to the soil, for expanding the sowing and thus for boosting the production of certain other crops.

Also for fruits and vegetables high growth rates are encompassed by the 11th SED Congress resolutions. Already in the previous 5-year plan the output was much boosted, by 59 percent for fruits and 13 percent for vegetables. This came about primarily through expanding the acreage for them. By 1990 the state output for fruit is to grow annually by an average 3.6 percent, for vegetables, by 3.9 percent. Those are noteworthy growth rates, particularly because the production increases have to rely more than before on increased yields and have to be combined with assortment expansion and quality improvement.

Water is a very important factor for boosting vegetables and improving their stability. For that reason most vegetables, in principle, be sown under irrigation.

In crop production water altogether plays a principal role among the yield-confining factors. The GDR has circa 3.6 million hectare of soil remote from ground water, which often suffer from drought. At present it is possible to irrigate 1.1 million hectare of acreage (17.7 percent). On irrigated acreages surplus yields of between 20 and 25 percent are obtained. For these reasons the 11th party congress directed us to purposefully continue regulating the ground water budget through irrigation and drainage.²² Especially the irrigation area has to be expanded greatly, the emphasis being placed on using simple methods, using local reserves and making more efficient use of water. Drainage measures will continue to be concentrated on wetlands. Through the quantitative expansion of the water regulation measures, the weight of effective use, maintenance, and rationalization has grown significantly. Especially the maintenance and its ever increasing ties with modernization deserve the greatest attention to use long for high and stable yields the installations that were very costly and increasingly tap basic assets-saving effects also in hydromelioration.

A total of 117 new varieties have been authorized since the 10th SED Congress in growing crops. That gives plant growing a considerable share of the positive yield balance. Growing newly grown and perfected varieties continues to be a firm element of crop production intensification. Essential growing targets, together with a further boost in the yield potentials of cultured plants, are a broader spectrum in varieties, a better adaptation for them to specific local conditions, a higher nutrient content, and a higher degree of resistance.

New biotechnological procedures--e.g. in in-vitro culture or cytology-- have already led to impressive results. Their further development, improvement and broader use will help plant growing to emit powerful impulses in the period ahead also for a permanent and stable fund-saving development of crop production.

Developmental Problems in Livestock Production

Many factors are playing a big role in fulfilling the livestock production tasks for the 1986-1990 5-year plan period. First comes undoubtedly increasing the livestock performance. The increase scheduled till 1990 in the state-farm production of animal products is meant to "come out of the performance improvement per animal exclusively, only the sheep flocks are being enlarged for the sake of wool production."²³ Livestock performance boosts--that will in this and likely also future 5-year plans be the main way of boosting the production volume.

For boosting the production of animal products there are generally two different ways available--boosting livestock performance or enlarging the livestock itself. The demands and effects these different ways place on any given enterprise, on all of agriculture and, above and beyond that, on the economy as such differ in a number of important points. We shall refer to one of them here only.

Enlarging the livestock calls for extra stalls and the requisite structures and equipment (an enlargement of basic assets conforming to the enlarged livestock beyond investments), for extra fodder as upkeep for the new animals and for getting them up to the average performance level thus far, and as a rule also for additional live labor expenditures. Then also, from the available production volume for the time being even some of the animal products have to be branched off for boosting the livestock. Production boosts this way calls for appropriate increases of the capital and working funds. Boosting livestock performance, on the other hand, normally does not call for an expansion of the basic funds, at least not for stalls. What is needed, however, is more and mainly also qualitatively better fodder. Furthermore, improved livestock care and coping with the increasing volumes of products make higher demands on live labor.

Increased livestock performance obviously is what conforms best with the comprehensive intensification requirements. There the result wanted--the production boost--is achieved through much less of an effort than through boosting the livestock.²⁴ There will always have to be additional livestock when the public and industrial demands for animal products cannot be met solely by livestock performance boosts within a period (i. e. the possible period). That was often the case in the last 5-year plan periods.

The requirement up to 1990, of achieving the further boost in animal production by increasing livestock performance, is without question feasible for milk and eggs by means of the livestock of 1985 and the performance level achieved this year (cf. Table 4).

Getting more milk from cows and eggs from hens would exceed the targets for 1990 or make possible changes in the volume of livestock. But that might conflict with other economic requirements. For instance, on the number of cows we have greatly depends the number of calves born that year, available for future milk and beef production.

The rise in fat-stock production up to the targets for 1990, the surpassing of which certainly is in the economic interest, must be borne almost completely by boosting the livestock performance because the effect will be but small through reducing livestock losses, reducing the reproduction rate of milk cows and things like that. That is an entirely new situation for fat-stock production. A change is taking place here which milk production has encountered in several 5-year plan periods already.

There are various ways for the needed livestock performance boost, and for the various types of livestock their use differs. It involves mainly

- improved feeding at a higher fodder economy, with the performance boost for cattle to be achieved through using more bulk fodder;
- improved breeding conditions for all types;
- higher final weights and daily increases for cattle, higher breeding additions for pigs;
- increasing the performance potential of the livestock through breeding and expanding multiple use; and
- trimming the reproduction rate for livestock replacement, higher breeding results, and reducing livestock losses altogether.

New science data and conveying the best practical experiences to many enterprises and to the large number of cooperative farmers and workers in the socialist agriculture will greatly contribute to the livestock performance boost.

The development of livestock production scheduled for the time up to 1990 also implies changes in the production structure. That pertains, for one thing, to the structure according to branches and types of products (generally and in the territories) and, then also, to the structure of fat-stock production in particular. The changes in fat-stock production consist mainly in the higher proportion of cattle. The annual increase rate of fat-stock production exceeded that of pork production and other parts of the fat-stock production. The proportion of cattle in the fat-stock production, which declined since the early 1970's, is systematically being enlarged again. As this development will depend on the livestock performance boost, beef production efficiency will improve (thus far beef production--even after the agrarian price reform of 1984 and other price changes for beef beginning in 1986--in efficiency came last among the livestock production branches).

Table 4: State-Farm Production of Selected Animal Products

	1980	1985	1990 Quota
Fat stock (kt)	2,359,4	2,590,1	2,620-2,650
Milk (kt with 3.5 percent fat)	7,919,0	8,603,4	8,400-8,630
Chicken eggs (in millions)	4,711,9	4,834,5	4,800-4,900
Wool (t)	5,735	7,315	8,500-9,000

Source: "Statistisches Taschenbuch der DDR 1986," [cf. footnote 6], p 82; "Direktive," [cf. footnote 16] p 80; data on milk volumes for 1990 converted to milk with a 3.5-percent fat content.

The uneven growth rates attest to the structural changes in livestock production in terms of branches or types of commodities. For the first time the 5-year plan targets envisage no growth anymore in fact for a livestock production commodity--chicken eggs. And since hardly any growth has been planned for poultry production, especially broiler production, either, the proportion of egg and poultry production in livestock production will decline. With mutton production and wool things are different. Through the boost in sheep flocks and the performance increase per animal, wool production is expected to rise significantly (cf. Table 4).

The rate of growth in wool production is meant to exceed that of the other animal products. Even if the rise in mutton production is not of much consequence in terms of volumes and values, the sheep and wool production percentage of livestock production still increases thereby.

The largest shares in the branch or type of commodity structure in livestock production, as one knows, goes to cattle and pig breeding and fat-stock and milk production. For both fat-stock and milk production further increases are intended. Compared with the average annual production in the 1981-1985 5-year period, the fat-stock production is meant to increase more than 1 percent annually till 1990, and that of milk, by 1 percent.²⁵ From that it follows that the proportion of milk production and more still that of fat-stock production in overall livestock production is going to increase. It also means that the proportion of the cattle economy is going to increase--both through the stronger growth of slaughtering cattle compared with pig production and the boosting of milk production, which grows at least at the same rate as the pig production. These structural changes will take place at uneven rates in the various territories, and the following considerations have to be taken account of:

First, the fodder problem plays a crucial role in these structural changes. Even with the increasing self-supply in grain and protein foodstuffs, it is necessary to increase mainly the production of those animal species that eat raw fodder and, when such fodder is high-grade, show a good performance. Not so seldom in various GDR territories more fodder becomes available (pastures and as a fieldwork by-product) than can effectively be used in cattle breeding. There is no proper incentive there for boosting fodder production through intensification. In such cooperatives it is absolutely necessary to raise the targets for the development of cattle production and also for the cattle herds--after having coordinated this with the further development of the sheep flocks.

Second, in these structural changes one has to pay attention to their connection with public food and industrial raw material demands. The population's demands for meat and meat products keep rising greatly. For some dairy products

Table 5: Changes in Livestock Totals in the 5-Year Plans--Final Status at End of Plans Compared with Initial Status (in Thousand Heads of Cattle)

	1971/75	1976/80	1981/85
Cattle	+ 341.5	+ 190.8	+ 104.0
of which Cows	- 7.9	- 17.1	- 64.0
Pigs	+1,817.6	+1,369.4	+ 74.9
Sheep	+ 285.0	+ 155.6	+ 549.3
<u>Laying hens</u>	+ 236.4	+ 938.3	+1,683.3

Source: "Statistisches Taschenbuch der DDR 1986," [footnote 6], p 78.

they are still growing a lot too, whereas for other livestock production commodities hardly or but slightly (eggs, drinking-milk). For improving the meat and meat-product assortments and, above all, for nutritional health, more beef is important.

The structural changes in livestock production undoubtedly are an element of comprehensive intensification for many LPG's, VEG's and other agricultural enterprises and for agriculture at large. They moreover contribute to the comprehensive intensification of the economy. Not all economic effects of these structural changes are easy on agriculture, to be sure. More bulk fodder and cutbacks in imported fodder make fodder more expensive in the LPG's and VEG's.

Of extraordinary importance for developing livestock production is a higher fodder economy. Crop as well as livestock production enterprises have been urged to meet that objective. Cutbacks in specific fodder consumption by 1 percent annually²⁶ is a cardinal question for making livestock production more effective.

First, fodder is a very big item in production consumption. For all of agriculture production consumption eats up 78 percent of total costs.²⁷ More than one third of that goes to the cost of fodder. Relative to the production consumption of livestock production alone, the fodder proportion would be still higher. At an outlay for fodder at circa M 11 billion per year, a 1 percent drop in fodder outlays per unit of product would cut costs by more than M 100 million and boost the net product proportionately.

Second, the volume of fodder released through cutting back specific fodder consumption per unit of product is an essential, indispensable basis for boosting livestock production. Any additional commodities produced while the outlays for fodder remain constant amounts to an important contribution to increasing the effectiveness of livestock production.

Basic Trends in the Development of the Rural Production Relations

Implementing the task of placing the comprehensive intensification of agricultural production on a stable and permanent foundation is inseparable from perfecting the socialist production relations.

Further rural social development is marked above all by the solidification of the legal independence and the economic responsibility of the LPG's and VEG's and by the deepening of cooperation. There are interactions between the two processes. The deepening of cooperation is both prerequisite and result of the solidification of the legal independence and the economic responsibility of the LPG's and VEG's. It holds true in the obverse as well, of course. Without solidifying the legal independence and economic responsibility there can be no deepening of cooperation in the territories. The orientation from the 11th party congress, to make a more effective use of the potentials of both forms of property, implies that the LPG's and VEG's remain the basic units of agricultural production, and the economic and social rights, duties, and tasks that go along with that are or have to be assumed by the appropriate collectives under their own responsibility.

The longtime successful development of socialist agriculture in the GDR has demonstrated that cooperative property--as public property, and together with it--makes possible an unobstructed development of the agrarian productive forces. These experiences confirm the theory that cooperative property is one of the two basic forms of the socialist ownership in the means of production. Like the public property it is essentially social property, in its form, however, in contrast to public property, the joint property of working collectives. It is not a transitional form toward unified social property, but an independent and permanent form of the socialist ownership in the means of production apart from public property.

The 11th party congress confirmed the SED's social strategy concept for developing the socialist production relations in the further shaping of the developed socialist society on the basis of both forms of property and their common effects. That precludes socially significant changes in the socio-economic structure of the GDR agriculture for the foreseeable future. In the next phase of social development the cooperative farmers will still be the main producers of agricultural commodities. Right now, the cooperative sector holds a 87.1-percent proportion of total agricultural acreage, 83.1 percent of the livestock, and 79.5 percent of the capital assets of socialist agriculture. The state farms in socialist agriculture, however, will step by step assume the function of pace-maker in applying and spreading new scientific-technical data. They take care right now of circa 7 percent of the GDR's agricultural acreage. Their share in agricultural livestock in 1985 was 10.7 percent.

The socioeconomic and industrial structure in agricultural primary production in early 1986 was broken down as follows:

Crop Production	Livestock Production
1,144 Crop Production LPG's	2,761 Livestock Production LPG's
151 Crop Production VEG's	347 Livestock Production VEG's or VEB's
11 Cooperative Crop Production Departments	211 Livestock Production Inter-Enterprise/ Inter-Cooperative Facilities (ZBE's/ZGE's)
205 Horticultural Producers Cooperatives	

As the concentration and specialization level in the LPG's and VEG's also by and large conforms to the requirements for productive forces development, the number of agricultural economic units is not likely to change much. Only in livestock production a slightly higher production concentration may be expected.

Table 6: Development of the Class of the Cooperative Farmers, 1981-1985

	1981	1985
Members of Cooperatives, Total	806,323	857,075
of which: full-time farmers	574,391	616,035
of which: in LPG crop production	248,342	278,691
of which: in LPG livestock production	279,829	314,942
of which: in ZBE's/ZGE's	19,497	15,255

Source: AGRA 1986, Exhibit in Hall 1.

At the same point in time, in the 1,193 cooperatives 1,194 crop production enterprises were working together with 3,281 livestock production enterprises. On the GDR average, the cooperative farmers and workers in one cooperative take care of 4,800 hectare of agricultural acreage and of 4,500 large livestock units. Out of the historic perspective of cooperative property rises the social task to strengthen the class of the cooperative farmers further. As the main ally of the workers class it bears a significant political responsibility for supplying the population, proper as to demands, with high-grade foods and industry with raw materials. According to the orientations from the 11th SED Congress, the focus for its class development lies on the numerically simple reproduction of the class of the cooperative farmers together with improving its qualification level. In the first half of the 1980's the development was marked mainly by a quantitatively expanded reproduction of that class (cf. Table 6).

The Potentials of Cooperative Property

The 11th SED Congress directed the development of the socialist production relations in agriculture mainly at "effectively exploiting the potentials of both property forms toward further production and efficiency growth."²⁸

The potentials of cooperative property, through the effective use of which the development of the socialist production relations will by and large proceed in the years to come, are found mainly in the following:

--In the capability of cooperative property, based on legal independence and economic responsibility and on the deepening of cooperation, to provide broad developmental space for the modern productive forces. The level of the socialization of production and labor suffices in most LPG's for hastening the transition and comprehensive use of scientific-technical data, for the application of the key technologies, and for the assignment of highly productive machines and installations. The results of the intensification of agricultural production in the first half of the 1980's have emphatically confirmed the realization that the scientific-technical creativeness of the cooperative farmers is an inexhaustible source, in principle, for efficiency improvement. The common property of working collectives and the thereby caused particulars in the reproduction of such property set no barriers to a planned production and efficiency growth. The results of the agrarian price reform, rather, show precisely that the economically responsible reproduction of cooperative funds encourages comprehensive intensification;

--in the capability of cooperative property to deepen cooperation. On the use of that potential of cooperative property depends not only a more efficient manner of dealing with the soil-crop-livestock-soil cycle in the territories, but largely also the economic and social development of the LPG's. The growth of the cooperative funds--as shown by the outcome of intensification in the first half of the 1980's--is emphatically encouraged, above all, by the proportionate development of crop and livestock production. Relatively isolated developments of livestock and crop production in the territory proved an obstacle to a smooth development of cooperative property. The deepening of cooperation therefore reflects an important side of conformity between the economic interests of the cooperative farmers as collective proprietors and those of socialist society. Also at present is the LPG's cooperation capability a general foundation for the existence of cooperative property;

--in the capability of cooperative property to establish a direct bond between the subject of property and the common property. The spreading of this potential as an impulse has to do mainly with the further development of the cooperative distribution relations and cooperative democracy. The focal point in perfecting the cooperative distribution relations is the task to gain more economic leverage still from connecting the amounts of the individual income of the cooperative farmers with the LPG's economic results by introducing performance-promoting forms of remuneration. Closely connected with that is the further shaping of cooperative democracy. It makes sure that all cooperative farmers are drawn into the management and planning of cooperative production and assume their collective right of disposition over cooperative property. On that basis further initiatives are released for additional production and efficiency improvements;

--in the capability of cooperative property to provide broad elbow room for progressive peasant traditions and use them as impulses for economic and social progress. The traditions of a thrifty and cautious handling of property and of prudent accounting more and more crystallize in the cooperative farmers' economic manner of acting on behalf of their LPG's. It has furthermore been demonstrated that also the peasant modes of conduct relative to the particulars in the agricultural production process lost none of their importance under the conditions of socialist large-scale production and comprehensive intensification. The readiness to adapt oneself in one's daily work to complicated and fluctuating conditions, as those under the influence of the weather, and the sense of responsibility for properly timed sowing and harvesting while making full use of the suitable days and hours, and for cautious soil utilization and animal maintenance are necessary elements of a conscious attitude toward socialist property and cooperative labor;

--in the capability of cooperative property to make an effective contribution to improving the rural living conditions. This process, closely dependent on the development of agricultural production and its effectiveness, is based on the fact that today also there is much close interaction between the development of the LPG and of the village. Developing the village as the place where the cooperative farmers have their homes, e.g., is an essential social condition for cooperative property development. For that reason, the commitment of many LPG's to social-cultural village development has become stronger; with their assistance many apartments, child-care and commercial facilities were created and the appearance of villages has become more beautiful. These and other activities brought it about that social relations have perceptibly improved in most villages, which led to a stabilization of the resident population. This is, at once, an essential condition for placing agricultural intensification on a permanent and stable foundation;

--in the capability of cooperative property to ensure the reproduction of the class of the cooperative farmers. For the quantitative as well as the qualitative development of this class and for the production of class-specific traits and properties, there are favorable conditions inherent in this form of property. As shown by the development of the qualification level of the cooperative farmers, the class has all the subjective prerequisites for coping with the scientific-technical progress. It is of importance here, that heightening the qualification level of the cooperative farmers is not due to a one-time acquisition of some qualification. Continuing education for the cooperative farmers in the various forms is increasingly becoming a condition for comprehensive intensification. At the same time it is important to ensure the

quantitative reproduction of the class of the cooperative farmers by admitting young members to the LPG's; and
--in the capability of cooperative property effectively to connect social production with the cooperative farmers' personal farming. In the cooperative farmers' personal plots social and individual interests connect in a sensible manner. For one thing it opens up personal needs. "It has a firm and permanent place in our accounts and most effectively complements social production."²⁹ The proportion of the cooperative farmers' personal plots in individual production now comes to circa 50 percent, somewhat higher in livestock production and somewhat lower in crop production. The close link between cooperative and individual production in the personal plots makes sure that agricultural production as a whole can become increasingly effective.

The social measure for an effective use of the potentials in both property forms is that in each LPG or VEG production and its efficiency are developed in accordance with economic requirements.

Deepening Cooperation

Successful developments in agriculture and the foodstuffs industry in the 1981-1985 5-year plan period have confirmed once again that the use and deepening of all proven forms of cooperation have been and are of fundamental importance for comprehensive intensification. That, as the 11th SED Congress brought out, is true of cooperation within agricultural production as well as for the cooperation among the LPG's, the VEG's and the enterprises that work on and process, store and market agrarian products.

It is important to make all these forms of cooperation still more effective as part of the system of the productive forces and of the system of the socialist production relations. This furnishes the key for using important reserves for the needed performance boost in agriculture and the foodstuffs industry.

Within agrarian production one of the fundamental functions of the cooperation between crop and livestock production LPG's or VEG's is to shore up the various technical-organizational and economic relations that objectively exist between the two basic areas of agrarian production in the most efficient way, i.e. through applying science data. A stable and smooth cooperation among these enterprises³⁰ is prerequisite to handling effectively the soil-crop-livestock-soil cycle for the sake of high production and efficiency for all participating partnership enterprises. Step by step the cooperatives are implementing a far-reaching proportionate development in livestock production and the requisite fodder production in terms of volumes, assortments and schedules through an optimum utilization of economic and natural conditions. That significantly improves the stability, continuity, and quality of fodder supplies for the livestock--a basic requirement for high performance--while it also permanently cuts back transportation expenditures.

Of great importance for high performance improvements in crop and livestock production has been and is the full use of the manpower potential available in the cooperatives. Assistance from the livestock producers is indispensable, e.g., during peak labor period in crop production. That also is in the interest of the livestock production enterprises, because high yields and a

high-grade fodder also pay off for the livestock producers. The close cooperation between crop and livestock production undoubtedly has contributed much to achieving a higher rate of growth in crop production than in livestock production whereby to raise the self-supply degree for livestock feed in livestock production considerably. This development which is so important for furnishing the livestock feed out of our own resources will have to be continued.

A great responsibility here rests also with the cooperative councils, democratic organs the cooperative enterprises have set up for directing and managing the cooperation. It is up to them to have the partners aim their efforts at rapidly increasing the crop production yields and the livestock performance and fully to exploit all reserves, especially the permanent sources for high performance improvements among all partners, in order to stabilize the turn made toward comprehensive intensification. The following areas turn out to contain the major emphasis tasks for the cooperation councils:

- Target-directed application of the scientific-technical progress, especially by way of maximum yield and optimum performance conceptions;
- establishing well-balanced proportions between crop and livestock production to ensure a far-reaching self-supply for fodder and a sound humus balance;
- fully enforcing socialist industrial management, surmounting unjustified inequalities among cooperation partners;
- conducting and organizing a contest among the cooperating partners and conducting performance comparisons by means of such mandatory criteria as own product, net product, costs and profits, and setting down appropriate measures for further performance improvements and controls over their implementation; and
- coordination and correlation of the various intensification measures pursuing a high combined effect for all intensification factors.

Within the scope of cooperation one has to prepare conceptions and programs that meet with the interests of all partners while they also tap all economic and natural reserves. They consist of the target and tasks derived from the 5-year plan and of the concrete manners of applying the scientific-technical progress. The developmental conceptions determine the more long-term steps toward defining the most important basic proportions between crop and livestock production. They contain questions such as

- yield and performance trends in crop and livestock production,
- requisite development of the acreage and livestock structure,
- reproduction and use of the labor resources,
- coordinated investment policy and the use of basic and working funds, and
- improving working and living conditions in a given territory.

The cooperative councils rely here on materials such as the programs for the most efficient use of the soil and on the development of the fodder economy, and on educational programs and rationalization conceptions in any one LPG.

In conjunction with preparing long-term developmental conceptions, the cooperative councils have the function to draft complex programs for enforcing the scientific-technical progress up to 1990. They in turn are realized by means of the maximum yield and optimum performance conceptions in the given crop and livestock production LPG's.³¹

To provide cooperation council resolutions with high authority, it has in practice been found useful for the LPG membership meetings to assign the cooperation council with the exercise of certain economic management functions. That does not gainsay the responsibility the enterprises, LPG's and VEG's have for their own reproduction process, which is to be fashioned according to the economic accountancy principle. The responsibility of a given enterprise grows in the process of deepening cooperation because through its activity it directly affects not only its own operational outcome, but objectively also that of the other cooperative partners and assumes a shared responsibility for them.

The fact that most agrarian products, circa 85 percent, are further developed or processed outside agriculture--most of them in enterprises of the foodstuffs industry--requires cooperation among those enterprises. As the organizational form for such cooperation for almost two decades the cooperation associations have evolved and proven themselves for certain commodity groups; in them--mostly on a contractual basis--the production, delivery, and sales conditions among the production levels from agriculture to processing and commerce are settled by the cooperating partners.³²

The nature of comprehensive intensification calls for expertise in such commodity-oriented cooperation. One must prevent results achieved--often through great efforts--on one production level from being lost elsewhere. They must, rather, be preserved throughout the entire production chain, and as many new effects must be added to it at every step as possible.

Keeping losses down when agrarian products are turned into proficient end products becomes a high economic priority. "The main point in the foodstuffs economy is the utilization, low in losses, and enhanced refining of agrarian raw materials."³³ A special point of emphasis there is vegetable and fruit production and the processing, storage, and marketing of those products.

The 23 August 1984 Council of Ministers resolution establishes measures for improving public supplies of vegetables and a planned increase in the proportion of raw produce out of domestic production. To equalize nature-conditioned fluctuations in the raw produce yields, special attention must be given to hold losses down in storage and processing. An essential trend for finding solutions, resulting from the comprehensive intensification requirements, lies in the close cooperation among enterprises within the cooperation association, which becomes a matter of precisely coordinating the proportions between the agricultural enterprises as the raw material producers and the enterprises in the foodstuffs economy as to varieties, quantities, qualities, and delivery deadlines. Bottlenecks in storage and processing have to be surmounted through a closer cooperation of all partners within a cooperation association.

Of importance in this context also is the processing of agrarian products by LPG's, VEG's and facilities of the VdgB [Peasant Mutual Aid Association].³⁴ Quality degradation or losses in fruits and vegetables can thereby be prevented, e.g., local reserves can be used, the territorial supply can be improved, and transportation costs can be trimmed. The reduction of losses and improving of qualities directly improve the cost/benefit ratio, can enlarge the disposable end product and at times produce the same or even a higher effect than boosting the volume of the agrarian products.

Comprehensive intensification calls for an accurately coordinated application of science and technology within the cooperation association. High economic efficiency is attained if, with the end product in mind, all production levels are resolutely brought in, whereby also in the foodstuffs economy the prerequisites are obtained for a high-grade end product.

Perfecting of Planning and Economic Accountancy

Reinforcing the legal and economic independence of the LPG's and VEG's as well as the deepening of cooperation are inseparable from the perfecting of planning and economic accountancy. At that, planning and economic accountancy are not just mechanisms of the socialist production relations, but they also affect essentially the direction and developmental speed and range of the agrarian productive forces. At least three aspects are relevant to the further development of the planning system in agricultural production.

First, it is a matter of better coordinating the planning of all economic branches that are part of the Agrarian Industrial Complex (AIK) to tap the production and efficiency potentials more fully that lie in the planned and proportionate development of all links in the technological chain from the producer of the means of production via the agricultural producers to the user. And this involves not only a quantitative coordination among the various links in AIK. It is becoming increasingly evident that, above and beyond that, the qualitative aspects in the intertwining of the means of production producing industry, agriculture, and the processing industry are playing a great role for ensuring smooth production and efficiency growth. That gives rise to the requirement to take still more into account the qualitative factor in planning interlinkage relations.

Second, more attention is to be paid in the years ahead to the conceptual and plan preparation efforts in the LPG's, VEG's and their cooperatives and on the kreis level. Essentially that means that ways have to be staked out over long range that lead to well balanced, i.e. proper supply and efficient economic proportions among the social requirements placed on the agricultural reproduction process (e.g. state-farm production, development of fruit and produce production, increasing the net product, self-supply in livestock feed, a proper humus balance) in the territory (cooperatives, kreises) and the disposable resources (such as the soil, livestock, labor, natural conditions). That process can be managed effectively by means of complex developmental conceptions.

Third, an essential aspect in perfecting the planning system in agriculture pertains to enterprise planning. The focal point of this process is the breakdown of the enterprise plan in terms of departments and brigades. This is an essential prerequisite for the work collectives to be able to exercise their specific responsibilities within the enterprise reproduction process and improve the effectiveness of the intra-plant economic accountancy in the LPG's and VEG's. This way favorable opportunities arise for more closely combing the plan, the competition, and the material incentive system and to make the enterprise management and planning an material incentive system more complex. The complex breakdown of the enterprise plan in the crop production LPG's and

VEG's in terms of departments and brigades is, to be sure, tied to the territorial forms of labor organization. If the enterprise reproduction process is production oriented, however, it does not make much sense to break the enterprise plan down in terms of brigades. Right now, roughly 70 percent of the GDR crop production enterprises are operating on the basis of territorial departments and brigades.³⁵ Also in the livestock production enterprises a plan breakdown would presuppose the existence of stable brigades or departments. Surveys in Neubrandenburg Bezirk have established that right now only 80 percent of all livestock production LPG's in that bezirk have solid brigades and only roughly half of the brigade plans are financially supported.³⁶

The basis for perfecting the economic accountancy system in agriculture is the 11th party congress guideline that the "cost and proceeds relations created during the agrarian price reform are, in principle, being preserved."³⁷

In conjunction with the desired constancy of the agrarian prices up to 1990 this helps create stable cost/benefit ratios in the LPG's and VEG's and helps direct the economic ideas and actions of the cooperative farmers and workers more at reducing prime costs through increasing yields and performances. Furthermore, it provides favorable conditions for managing presciently and affect purposefully the LPG and VEG reproduction process in value terms over an extended period. Structural influences due to changes in price relations among products, on enterprise performance development, are then also largely eliminated, and efficiency and production development is comparably reflected over several years by means of the parameters of net product, costs, and profit. That also enhances the effectiveness of inter-enterprise performance comparisons and even those between kreises and bezirks.

The decision to leave the agrarian prices as of 1 January 1986 by and large unchanged implies partial changes in the economic relations between the LPG's and VEG's on the one side and the economic units of other economic sectors or the socialist state, on the other. The course taken with the agrarian price reform, of making enterprise and economic outlays conform through pertinent price and finance structures, will continue in the 1986-1990 period. That is helped, for example, by the gradual transition to having the LPG's and VEG's pay for scientific-technical services. Socially more highly recognized will be in the future also enterprise achievements crystallizing in more high-grade products.

The perfecting of the economic accountancy system, provided external conditions stay more or less unchanged, is mainly aimed at further developing economic relations within the LPG's and VEG's and in the cooperatives. The main thrust lies in creating a complex and economical system that embraces the economic accountancy relations from the cooperatives to all individual jobs. Fashioning it in such a way that all links in the territorial streamlined agricultural reproduction process are equally strongly stimulated, and increasing production and efficiency, adds up to a task that has to be resolved in this 5-year plan in many cooperatives. The emphasis here is placed on LPG and VEG cooperatives that only on 1 January 1986 assumed economic management functions.

All the cooperation council is doing in structuring the economic partnership relations comes down to creating approximately identical prerequisites for consolidating the LPG's and VEG's own cooperative responsibilities. The main tools for it are the contracted prices and the principles for forming and using joint funds. Intra-enterprise regulations, e.g. on distributing the LPG's net profits, remain outside the competence of the cooperation council.

Something else in perfecting intra-enterprise economic accountancy pertains to the utilization of the performance principle. The development of the cooperatives' consumption fund came under new rules in 1984 already. It has since been tied by 50 percent each to the development of the in-house and the net product. This economic regulation has led to a perceptible increase in the LPG's material interests in planned production and efficiency improvements. What matters now is to use the performance principle also in distributing the consumption fund among the LPG members more effectively as economic leverage. Experience has demonstrated that, in particular, dividing the remuneration of the cooperative farmers into basic payment and an extra bonus depending on proceeds has worked as a stimulus to performance. Also in the VEG's has the performance principle been turned into a more effective impulse still for economic and social progress in agriculture through production wages and performance-promoting forms of bonuses.

For economic research it is of an importance of principle that the 11th SED Congress has called on the economists to hasten the theoretical lead for perfecting economic regulations after 1990. That is necessary mainly to place comprehensive intensification on a permanent and stable economic foundation and expand the economic leeway for hastening the scientific-technical progress in agriculture. It amounts to the implementation of the economic policy principle to have prices reflect the true economic costs. Then they become apparent wherever the working people can affect them best. In agrarian prices right now only some of the social expenditures for reproducing agricultural labor resources are reflected. Nor are amortizations at present shown to be what they are in their full size. Furthermore, tax regulations must still better take account of the impact differential income has on economic results in the LPG's and VEG's. A more effective utilization of differential revenue to boost agricultural output and efficiency thus always again calls for new deliberations, so that the assessment principles for what the LPG's and VEG's have to turn over to the national budget better conform than they have thus far to the actual conditions for forming and implementing this type of surplus profit.

Development of Rural Living Conditions

Solving the closely connected production tasks calls for developing and utilizing still more the creative capacities of the cooperative farmers, workers and others engaged in agriculture. That turns the further development of rural living conditions into an integral part of implementing the agrarian policy, of the permanent enforcement of comprehensive intensification in agriculture. The working people will then use the resource potentials inherent in agricultural production with more initiative, prudence, purpose and ultimately, more effectively when they sense it will lead to improvements in their own living conditions and when they improve their comprehension for this context.

Capital assets modernization together with making newly developed machinery and equipment available, replacing worn installations in stables and plants of livestock production, and further mechanization of feeding and cleanup must serve not only the maintenance and improving of the functionality and the advancement of the efficiency and effectiveness of the basic assets, but the working conditions of the cooperative farmers and agricultural workers also must be improved thereby. It also belongs to it that the further stabilization of the labor capacity, the cutbacks of between 40 and 45 million working hours in crop and livestock production till 1990 through measures of the scientific-technical progress,³⁸ has to be looked at not only under the aspect of production and efficiency development, but must also help reduce the excessive amount of working hours throughout the year in some parts of agriculture.

Other elements of the living conditions are also being smoothly further improved. As qualifications and performance improve, the work income goes up too. New rules of recent years in the LPG's ensure close and firm ties between enhanced performance and income in the LPG's and more pay to their members. Promoting individual agricultural production as meaningfully complementing the production of social enterprises will also bring it about that by many cooperative farmers and agricultural workers more of an income tax will be paid out of their private plots.

Between 1976 and 1980, as many as 52,464 dwelling units were newly built or modernized in the countryside, and more than 62,000 between 1981 and 1985. Now another 80,000 modern dwelling units for cooperative farmers and agricultural and forestry workers are scheduled for the 1986-1990 period through construction capacities that belong to agriculture, among them 30,000 to 35,000 newly built units.³⁹

In areas such as the educational system, national insurance, and old-age care identical conditions already exist for inhabitants of villages and towns. Social accomplishments like skilled medical care, nurseries and kindergartens as well as vacations are taken for granted even in the countryside. Right now there are, e.g., 430 out-patient clinics and more than 2,600 physicians in the 6,622 rural communities. For every one thousand children between 3 and 6 years of age, 917 kindergarten vacancies are available in these communities. The GDR's rural communities have 5,400 village and youth clubs, more than 400 culture and village club houses, and many libraries.⁴⁰

Many culture and popular ensembles and village and cooperative festivals attest to the blossoming of cultural life in the villages. Much has been done in this regard within the last 5 years. Further improvements are possible and necessary. It is important to ensure the basic necessities in the villages and the needed communal institutions, their maintenance and repair, and the further development of social and cultural-intellectual life.

The 11th SED Congress reiterated that the further development of the socialist village, as the center of agrarian production and peasant life, is and remains a firm component of agrarian policy. This orientation is based on the realization that the GDR village has the necessary social potentials for the development of both socialist agriculture and the class of the cooperative farmers, for shaping the ordinary life of its inhabitants, for further reducing the still surviving inequalities between town and country, and for spreading the socialist way of life.

Making comprehensive intensification permanent in socialist agriculture serves to strengthen the socialist order economically and politically. It also furthers the social potentials in the GDR villages and ensures their prospects.

FOOTNOTES

1. E. Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED" [SED Central Committee Report to the 11th SED Congress], Dietz publishing house, Berlin, 1986, p 38.
2. W. Felfe, "The Tasks of Agriculture, Forestry, and the Foodstuffs Economy in Deepening Comprehensive Intensification Following the 11th SED Congress," KOOPERATION, No 8, 1986, p 338.
3. E. Honecker, op. cit., p 39.
4. Ibid., p 23.
5. Ibid.
6. Cf. "Statistisches Taschenbuch der DDR 1986," Staatsverlag der DDR, Berlin, 1986, p 73.
7. Ibid., p 76.
8. Cf. H-G. Ewert/W. Heckel, "Main Results and Further Priorities for Developing the Feed Economy Based on Livestock Self-Supply in Feed," TIERZUCHT, No 8, 1986, p 337.
9. Cf. R. Heinrich/H. Stegmann, "Problem in the Development and Rational Use of the Social Labor Capacity in GDR Agriculture," WIRTSCHAFTSWISSENSCHAFT, No 3, 1986, pp 341 ff.
10. Cf. "Statistisches Taschenbuch der DDR 1986," loc. cit., p 72.
11. Cf. "Statistisches Jahrbuch der DDR 1985," Staatsverlag der DDR, Berlin, 1985, p 105.
12. W. Felfe, op. cit.
13. Cf. E. Honecker, op. cit., p 40.
14. R. Schuch/M. Exner, "The Best Grain Harvest Brought In In the Year of the 11th Party Congress," NEUES DEUTSCHLAND, 30/31 August 1986, p 3.
15. Cf. B. Drechsel/W. Franz, "On Developmental Questions and Further Tasks for Efficient Livestock Production--Shown by the Example of Pig Production," WIRTSCHAFTSWISSENSCHAFT, No 9, 1986, pp 1334 ff.

16. Cf. "Direktive des XI. Parteitages der SED zum Fuenfjahrplan fuer die Entwicklung der Volkswirtschaft der DDR in den Jahren 1986 bis 1990" [11th SED Congress Directive for the 5-Year Plan for the GDR's Economic Development, 196-1990], Dietz publishing house, Berlin, 1986, p 78.
17. Cf. E. Honecker, op. cit., p 39.
18. W. Felte, op. cit., p 340.
19. Cf. "Farmers Want to Turn the Year of the 11th Party Congress into the Year of Highest Yields," NEUES DEUTSCHLAND, 28/29 June 1986, p 7.
20. "Direktive . . .," op. cit., p 82.
21. Ibid., p 80.
22. Ibid., p 82.
23. E. Honecker, op. cit., p 39.
24. The significance of this difference may be explained by the following fact: For the volume of milk production attained in 1985 (3.5 percent fat content) in 1960 (considering the capacity per animal at that time) a 65 percent higher total of cows would have been needed, and so also a proportionately higher amount of basic and working capital.
25. For the time up to 1990 the intention is to increase the productivity in fat-stock production by 110 percent (1985=100), cf. "Direktive . . .," op. cit., p 81.
26. Cf. ibid., p 81.
27. Cf. NEUES DEUTSCHLAND, 26 June 1986, p 4.
28. "Direktive . . .," op. cit., p 77.
29. E. Honecker, op. cit., p 39.
30. As a rule one crop production enterprise works permanently together with three to four livestock production enterprises in a cooperative.
31. Cf. W. Felte, op. cit., p 338.
32. There were circa 360 cooperative associations with a total of more than 9,100 enterprises in 1985.
33. E. Honecker, op. cit., p 40.
34. Cf. ibid., p 39.
35. Cf. M. Eberhardt, "What Promotes the Performance Readiness of the Collectives?" NEUE DEUTSCHE BAUERNZEITUNG, No 27, 1985, p 3.

36. Cf. T. Lins/J. Sommer, "Permanent Production Brigades--Prerequisite for Intra-enterprise Economic Accountancy," KOOPERATION, No 9, 1985, p 377.
37. E. Honecker, op. cit., p 41.
38. Cf. "Direktive . . .," op. cit., pp 82 f.
39. Cf. ibid., p 94.
40. Cf. NEUE DEUTSCHE BAUERNZEITUNG, No 9, 1986, p 10.

5885

CSO: 2300/89

DEPUTY MINISTER VIEWS 8TH FIVE-YEAR PLAN'S BUDGET OUTLOOK

Prague HOSPODARSKE NOVINY in Slovak No 39, 1986 pp 1, 4

[Article by Engineer Julius Jombik, CSc, federal deputy minister of finance: "Rapid Growth Combined With Cost-Effectiveness"]

[Text] At the beginning of July, the CSSR government approved the budget outlook for 1986-1990, including the principles of fiscal policy. This has laid the foundation for managing, in accordance with a concept, the development of fiscal and budgetary relations during the current five-year plan, so as to ensure financial resources for the tasks contained in "The Principal Directions of the CSSR's Economic and Social Development in 1986-1990 and of Its Outlook Through the Year 2000." The conclusions adopted by the 17th CPCZ Congress set the basic orientation for the functioning of all fiscal-policy tools.

The aim of the budget outlook, state budgets, fiscal plans, and other tools of fiscal policy is to increase their active influence on the efficient and dynamic raising of revenue, and on its cost-effective expenditure. A contributing factor ought to be also implementation of the principle of tightening the business sphere's access to financial resources, by adopting planned tasks that are more challenging, and by making the business organizations' financing and financial incentives contingent on their actual profits and final contributions to the national economy.

Sources of Revenue, Requirements

Acceleration of the growth of revenue--which must ensure the growth of non-productive consumption and capital stock formation, strengthen further our external economic equilibrium, and provide for the new requirements stemming mainly from Czechoslovak participation in selected integration projects in the Soviet Union--is based primarily on the faster growth of profits.

Profits are to increase by 89.9 billion korunas under the five-year plan, or at an average annual growth rate of 10.7 percent. How challenging this task is can be seen from the fact that the increase in profits must be achieved primarily through a relative reduction of total cost by 75.2 billion korunas (which is 83.8 percent of the increase in profits), including a relative reduction of material costs by 68.1 billion korunas.

Total cost as a share of output should be reduced by 5.7 percent during the five-year period, or at an average annual rate of 1.2 percent. In addition to the decisive task of relatively reducing material costs, also wages and planned financial costs will have to be reduced as shares of output, but depreciation charges are expected to increase at a rate faster than the growth rate of output. The average annual rate at which total cost as a share of output will decline will be twice as fast under the 8th Five-Year Plan than under the 7th Five-Year Plan (when total cost as a share of output dropped at a rate of 0.6 percent a year).

The planned 7.3-percent reduction of material costs as a share of output during the plan period, or at an average rate of 1.5 percent a year, ensures the task set in "The Principal Directions of the CSSR's Economic and Social Development in 1986-1990." The demanding nature of this task is evident from a comparison with the average annual reduction rates of material costs as a share of output under the preceding five-year plans: 0.5 percent under the 6th Five-Year Plan, and 1.1 percent under the 7th. At the same time, in no single year of the 7th Five-Year Plan (except 1981) was the average reduction rate of material costs as a share of output so high as the average annual rate targeted for the current five-year plan.

Thus a pronounced increase of effectiveness in the area of material costs can no longer be merely a matter of economization, although there still remain considerable possibilities in that area as well. Such an increase will require primarily the application of more sophisticated production technologies and product designs, and the improvement of the products' technical and economic parameters. Structural changes in industrial production must also contribute to greater cost-effectiveness.

As another important source of revenue, turnover tax and equalization of domestic-market differentials [import turnover tax] will increase by 9.8 percent overall under the 8th Five-Year Plan; by comparison, turnover-tax revenue rose under the 7th Five-Year Plan by about 5 percent if price effects are screened out. An average annual growth rate of 3.2 percent is planned for revenue from turnover tax on deliveries of allocations for the market, and from equalization of domestic-market differentials. In all, this growth rate is 4.1 percentage points higher than the growth rate planned for deliveries of allocations for the market. Due to the fact that deliveries of industrial products are to increase faster than deliveries of food products, the average tax burden on the products will be higher. Revenue from turnover tax on deliveries of direct allocations is expected to drop by 3.4 percent during the five-year period. This is due to the fact that direct allocations consist predominantly of motor fuels and lubricants for socialist organizations, but cuts are planned in their deliveries under the 8th Five-Year Plan, for reasons of economy.

Within the state's total estimate of needed expenditures, the expenditures of business organizations are to increase by only 11.3 percent, while investment expenditures will increase by 13.5 percent. The task set in conjunction with the development of inventories in industry and construction is to increase their turnover velocity by 10.5 days, based on the inventories that existed on 31 December 1985. The demanding nature of this task is underscored by the

fact that on 31 December 1985 the inventories of centrally administered industry and construction exceeded the planned levels by 6.3 billion korunas.

The anticipated increase of the turnover velocity of inventories in industry and construction will free, relatively speaking, 28 billion korunas now tied down in inventories. Fulfillment of this task requires the following: preliminary sorting and liquidation of surplus inventories; tighter rules and shorter time limits for the ordering and delivery of supplies; constant updating of inventory norms, and using sophisticated computerized methods for setting them; ensured agreement between the aggregate inventory norm and the planned inventory levels; ensured quarterly breakdown of the turnover velocity as a mandatory task (at the enterprise level), and hence pressure on the development of inventories also during the year .

The role of self-financing will be strengthened further within the structure of resources for the financing of the business organizations' capital construction. While the organizations will be contributing their own resources for a larger share of the investment costs, there will also be an increase in investment grants from the state budget, earmarked for capital construction in the fuel and power industries, for the solution of environmental problems, and for the central agencies unable to provide sufficient resources of their own for the planned investment projects.

Redistribution Processes

A task confronting the financial system and other agencies is to systematically limit the undesirable redistribution processes through the state budget and in the financial management of the branches, economic production units and enterprises, because these processes undermine the khozraschet incentive of the organizations and their accountability for the efficient formation and expenditure of financial resources, and also lead to concealing mismanagement. In this context it will be necessary to further strengthen the dependence of financing the organizations' planned expenditures on the formation of their own resources, and to employ a system of long-term norms for the formation of resources at the economic production units and enterprises. It will also be necessary to investigate, and experimentally test, the feasibility of simplifying the system of funds formed at all three levels: the ministries, economic production units, and enterprises.

In conjunction with overhauling the wholesale prices as of 1 January 1988, revisions will be drafted of the organizations' system of taxes and payments to the state budgets, and not solely for the purpose of ensuring equilibrium in state finances: we expect that realistic valuation of the factors of production will lead to the more intensive use of production assets.

The Federal Ministry of Finance will strive to limit the volume of noninvestment subsidies from the state budget, in conjunction with overhauling the price system. First of all it will be necessary to limit and simplify the system of price subsidies and price supports for the agriculture and food industry complex, in conjunction with changes in the system of procurement prices and wholesale prices. It will be equally desirable to limit subsidies to resources for distribution, and tax abatements, and thus to exert pressure

for greater efficiency; and to strictly review the underlying reasons for the special-purpose subsidies, so that the expenditures in question may be financed from the organizations' own resources. When economically warranted, we will support development programs with subsidies to compensate for the differences stemming from two kinds of prices.

To promote greater efficiency and cost-effectiveness, it is essential to use more consistently analyses of the economic activity of organizations, sectors and branches. All supervising agencies must upgrade their analytical work, especially in terms of the criteria for evaluating the level of economic activity. For the more consistent application of the Principles for the Evaluation and Rating of Economic Activity, which the Federal Government approved by its Resolution No 64/1986, we will implement the adopted organizational measures. First of all, we will redefine for 1987 and thereafter the linkage between the results of economic activity and the personal material incentives of top business managers.

The relatively rapid growth of the enterprise collectives' consumption of social services will have to be adapted to what the national economy is able to afford, and to the present conditions of its development. In view of the structure of this consumption and its development to date, we will restrict charging such consumption to costs, and will reinforce its financing from profit, and from the cultural and social services fund. It will also be essential to solve the socially and economically unwarranted differences between enterprises, sectors and branches, while ensuring overall cost-effectiveness in this area.

Research and Development

According to the budget outlook, a total of 104.3 billion korunas is to be spent in 1986-1990 for the noninvestment needs of research and development. This includes 42.8 billion korunas provided from the state budget. The budget outlook also contains provisions for financing the tasks that stem from Czechoslovak participation in the CEMA countries' Comprehensive Program of Research and Development Through the Year 2000.

A total of 26.1 billion korunas is to be spent under the current five-year plan on the state tasks of technical development, of which there are 377 in the draft plan. This total includes 9.8 billion korunas (37.5 percent) of the business organizations' own resources, and their share remains essentially the same as in recent years. The state budget will continue to finance the major proportion of these expenditures.

We will place emphasis on shifting the bulk of the financing of technical development tasks onto the business sphere. In financing the State Research and Development Plan's tasks related to product or technology development, we must achieve an increase in the share of the business organizations' own resources. From the state budget we will be financing primarily the tasks of national importance, and the tasks of social development included in the state target programs and state R&D programs.

External Relations

Another of our tasks will be to increase the accountability of the central agencies and the business sphere, and to strengthen their initiative, in making Czechoslovak participation in the international division of labor more efficient. We will fully enforce the principle that our economic relations with foreign countries must not be improved at the expense of economic efficiency. We will continue with establishing closer links between production and foreign trade. By means of incentives, we will encourage structural changes, production innovations, curtailment of inefficient export and expansion of efficient export. Approval to employ premium pricing will be linked preferentially to qualitative indicators.

Within the economy's planned management system, we will provide and expand the prerequisites for widespread application of the higher forms of economic and R&D cooperation, especially of direct relations between agencies and organizations of the interested CEMA countries.

Living Standard

The budget outlook calls for a 31.5-percent total increase in revenue over 1985 in the state and national-council budgets combined. Most (87.9 percent) of this increase will stem from larger payments by business organizations to the state budgets, reflecting the efforts to accelerate and streamline economic growth. This will manifest itself primarily in the rapid rise of revenue from taxes on profit, based on the planned growth rate of profits.

A substantial proportion (87.8 percent) of the total increase in revenue is earmarked for the increase in noninvestment expenditures, and in the expenditures and subsidies of the budget-financed and the budget-subsidized organizations respectively. In absolute terms this increase amounts to 98.7 billion korunas, more than a third of which will be used to finance social-security expenditures, and other social services and activities for the population.

The planned noninvestment expenditures for public services provided from the state and national-council budgets are expected to reach 197.2 billion korunas in 1990, an increase of 24.2 percent over 1985.

In addition to the resources for implementing the tasks of the social program that the 17th CPCZ Congress set, the budget outlook contains also resources for the following: the program for the wider use of electronics in education; solution of the problems of economic and social development in certain areas along the western border, pursuant to the Federal Government's Resolution No 43/1986; and to augment the volume of resources earmarked originally for measures of an environmental nature.

Noninvestment expenditures for social security will increase by 10.7 percent in 1990 over 1985. Social-security benefits paid from the state budget will reach 60.2 billion korunas in 1990, which is 13.8 percent more than in 1985.

Total noninvestment resources planned for education will increase under the 8th Five-Year Plan by 18.5 percent . Primarily the following factors influence the volume and growth rate of noninvestment resources in this branch: the expansion of services and the increase of wage resources, in accordance with the state plan; the inevitable need to increase the resources for the maintenance, repair, modernization and renovation of school buildings; the equipping of new capacities; the procurement of instruction aids; and resources to solve the problems of the western border zone.

The planned 38.8-percent increase in expenditures for health care under the 8th Five-Year Plan covers the expansion of services and increase in wage resources that the state plan calls for, and also the projected expenditures for medicine and special medical supplies, at an annual growth rate of 8 percent. The per capita expenditure for medicine and special medical supplies should amount to 656 korunas in 1990.

The outlook anticipates that the noninvestment expenditures for culture will increase under the 8th Five-Year Plan at an average annual rate of 5.1 percent.

Total expenditure for housing construction and the management of the housing stock will increase by 3.4 billion korunas in 1990 over 1985. This reflects primarily the increase in state subsidies for cooperative housing construction (by 1.5 billion korunas) and private housing construction (by 0.9 billion korunas over 1985), in accordance with the concept of state housing policy.

It is quite obvious and understandable that it will be possible to achieve these goals for raising the standard of living only if there is dynamic and efficient creation of material and financial resources. In the nonproductive sphere we will have to start out from the requirement of cost-effectiveness in spending society's resources. In this context we are aiming to perfect the system of financing budget-financed organizations so as to estimate the amount of their expenditures more realistically and objectively, while taking into consideration the specifics of the nonproductive sphere, branches of the national committees, and ensuring the national priorities. In the course of this, a system of financial incentives will be elaborated for the budget-financed organizations. The effectiveness of the proposed measures will be tested experimentally at selected organizations.

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CSO: 2400/50

ECONOMIC RESULTS IN FIRST THREE QUARTERS OF 1986 SUMMARIZED

Prague HOSPODARSKE NOVINY in Czech No 44, 1986 p 2

[Commentary by Engineer Vaclav Jezdik, Federal Statistical Office, under the "Information on Plan Fulfillment" rubric: "First Three Quarters of 1986"]

[Text] The volume of industrial production increased by 2.9 percent during the first nine months of this year. Fulfillment of industrial output in the economic plans for January-September was 99.7 percent. But about 30 percent of the enterprises failed to fulfill their plan. The shortfalls of these enterprises meant not only a drop of more than 4.5 billion korunas in industrial output, but primarily disruption of the planned assortment and worsening of the shortages in the supply of materials and equipment.

The planned commodity output was fulfilled, but with shortfalls at a number of enterprises in general engineering, the electrotechnical and woodworking industries, and in entire light industry.

Adjusted value added in the economic plans was not fulfilled (fulfillment was 99.0 percent). More than 30 percent of the enterprises fell short; their number (and proportion) rose in comparison with the situation at midyear. These shortfalls, while the planned outputs were exceeded, were caused especially by failure to achieve the planned reduction of material and other costs. Even though the development of the material cost per unit of output improved in comparison with last year, it falls short of the planned goals. It appears that the enterprises, having exhausted their readily mobilizable reserves under the 7th Five-Year Plan, now find it more difficult to reduce their total cost and especially their material cost. This would evidently require measures more far-reaching in the organization, structure and technology of the enterprises' production, so that their cost per unit of output declines, while the quality and utility characteristics of the products are maintained. The objective need to reduce the cost per unit of output stems, for example, from a comparison of the domestic wholesale prices and the target prices in foreign markets. It requires seeking new ways and new solutions that satisfy the present possibilities and existing needs.

Reserves evidently still exist also for reducing the inputs of energy, metals and other raw and processed materials per unit of output. While the efforts to reduce the consumption of metals are succeeding, attention to conserving

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

	<u>Sep</u>	<u>Jan- Sep</u>	<u>State plan¹</u>
Centrally Administered Industries			
deliveries for:			
- domestic trade			
at wholesale prices	.	2.3	1.8
at retail prices	.	2.0	2.7
- export to socialist countries			
at wholesale prices	.	3.2	3.2
at f.o.b. prices	.	4.0	2.1
- export to nonsocialist countries			
at wholesale prices	.	0.6	6.0
at f.o.b. prices	.	-4.1	2.0
- other sales for productive consumption and operations, at wholesale prices	.	1.1	.
volume of industrial production (at 1 Jan 84 prices)	3.6	2.9	2.6
average number of employees	0.6	0.6	0.7
labor productivity based on gross output	3.0	2.3	1.9
Construction			
construction work performed with own personnel	0.9	2.5	2.9
average number of employees	0.8	0.6	1.1
labor productivity on construction's basic output	0.1	1.9	1.8
housing units delivered by contracting enterprises	-16.1	-15.0	-26.0
Procurement			
slaughter animals (including poultry)	6.1	-0.1	-0.5
milk	1.5	1.3	-2.0
eggs	15.7	-0.8	0.1
Retail Turnover			
main trade systems	4.0	2.7	2.1
Foreign Trade			
export to socialist countries	.	2.9	-0.1
export to nonsocialist countries	.	-6.3	0.3
import from socialist countries	.	4.0	1.4
import from nonsocialist countries	.	8.4	12.0

1. Relative to actual 1985 results.

electricity has slackened, especially on the part of industrial and commercial customers. The consumption of electricity is higher than planned, even though the growth rate of industrial production is roughly at the planned level.

The problems in conjunction with observing the planned structure of the industrial output's deliveries are persisting. While there are shortfalls in the planned deliveries for export to nonsocialist countries, the planned deliveries for investments have been exceeded considerably (by 4.5 percent).

At the same time, nine of the enterprises for whom the volume of deliveries for investments is a mandatory indicator of the plan failed to fulfill their tasks. Overfulfillment of the planned volume of deliveries for investments was influenced primarily by enterprises for which such deliveries were not an obligatory task, and which evidently regard investment projects as an alternate solution to their marketing problems. The planned deliveries for the domestic market were fulfilled, and the planned deliveries for export to socialist countries were exceeded by about 3 percent.

In construction, the volume of work in place that the construction enterprises performed with their own personnel increased by 2.5 percent during the first nine months of this year. The annual state plan calls for a growth rate of 2.9 percent. The growth rate fell below the planned level mainly in August and September. For example, average daily output was significantly lower (by 8.2 percent) in August than in July. But construction work in the economic plans was fulfilled in spite of this development. Plan fulfillment varied considerably by construction organizations. About 39 percent of the enterprises fell short of their plans for construction work. There were shortfalls also at a number of okres construction enterprises, and at construction organizations of the Ministry of Transportation and of ministries other than the ministries of construction.

The results of the construction organizations' financial management were favorable. The plans for adjusted value added were fulfilled. And the material cost per unit of output also declined. These results should not relax the efforts to constantly improve efficiency in construction, and to further reduce the costs per unit of output, while improving the quality of the work in place.

When comparing the results this year with the ones last year, we have to take into consideration the impact of the weather conditions that hampered construction work in the first months of 1985, because otherwise our basis of comparison for evaluating the development of the qualitative and quantitative indicators would be distorted.

In agriculture, crop harvests were lower than planned. But especially the harvest of small grains met the average under the 7th Five-Year Plan.

Yields in livestock production continued to improve, and this is reflected favorably in the fulfillment and overfulfillment of the procurement schedules for livestock products. Fulfillment of the procurement schedules was 102.7 percent for slaughter cattle, 98.9 percent for slaughter hogs, 102 percent for milk, and 102.7 percent for eggs.

The volume of freight that public carriers hauled increased by 1.7 percent. Both the CSD [Czechoslovak State Railways] and the CSAD [Czechoslovak State Motor Transportation] fulfilled their economic plans. The railroad's carloading plan was exceeded slightly (fulfillment was 101.1 percent), although there were shortfalls in loading solid fuels and construction materials, the two principal classes of bulk freight. Especially the 12.5-percent overfulfillment of ore loading contributed to the carloading plan's fulfillment.

The static load per freight-car unit rose, and so did locomotive productivity [net metric ton-kilometers per locomotive] based on the so-called distance actually worked [as opposed to the shortest, scheduled distance]. The average turnaround time per freight-car unit was not shortened; it was in fact slightly higher than planned. The problems with the evenness of loading and unloading are persisting; shippers are less willing to ensure loading and unloading especially on days of rest and at night.

In domestic trade, the retail turnover's growth (index 102.7) was faster than what the annual state plan calls for (index 102.1), and also the economic plan's retail turnover for January-September was fulfilled. The problems (despite some improvement in the structure of deliveries from production) are concentrating in the long term on the desired assortment and quality, including deliveries of attractive and innovative merchandise. Consumer demand was not always supplied entirely, especially the demand for industrial consumer goods, particularly from the engineering and electrotechnical industries, and also the demand for furniture and certain textiles. The unsatisfied demand for durable consumer goods and fashion goods also meant less turnover-tax revenue for the state budget.

At the same time, personal incomes rose faster than planned. But the spending of personal incomes in the domestic market rose at a slower rate, causing a further increase in the overhang of purchasing power.

Thanks to trade with the socialist countries, the plan's tasks regarding the volume of foreign trade have been fulfilled. But we are still unable to enhance significantly the value of our exports, and to adapt our export production more closely to the foreign markets' ever-stricter requirements, in trade with both the socialist and the nonsocialist countries.

But the process of enhancing the value of our exports is closely linked to reducing the cost per unit of output, and to improving the quality, technological level and utility characteristics of the products. These requirements do not apply solely to foreign markets, but to deliveries for the domestic market and for productive consumption as well. Actually they are one of the pillars on which the goal of accelerating the socioeconomic process through intensification is based.

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CSO: 2400/48

CHEMICAL REFINING'S ECONOMIC VALUE SKETCHED

East Berlin PRESSE-INFORMATIONEN in German No 97, 21 Aug 86 p 6

[Article under rubric "Numbers and Facts": "Chemical Processing in the GDR"]

[Text] Over 50,000 chemical products are produced by workers of the chemical industry from relatively few different raw materials. Domestic and imported raw materials, e.g. Soviet petroleum, are refined into high-value products. Thus, the chemical industry of the GDR employing 10.5 percent of all employees of our republic, produces about 20 percent of industrial products.

Highly refined chemical products influence the effectiveness in almost all areas of the national economy. Therefore, the chemical workers are highly committed to more refined products. Since 1981, they have put into production 4,300 new developments. In 1983, they achieved their production increase by two-thirds through more highly refined products; the renewal rate amounted to 18 percent. By 1985, it increased to 27 percent. Among the highly refined products are 1409 new products which were developed in honor of the 11th Party Congress of the SED and have an annual value of 650 million marks. Altogether, the added value of the used raw materials increased to 175 percent from 1981 to 1985, whereby the contribution of the highly refined products to the total production in 1985 amounting to about 70 percent.

The chemical processing industry centers on the highest possible utilization of the valuable raw material petroleum, especially the increase in the share of so-called "light products". These are primarily carburetor and diesel fuels, as well as basic materials for the production of plastics, fertilizers and fibers.

From an equivalent amount of petroleum, twice as much fuel and 3.3 times as much basic material for refined chemical products are now created.

So-called biological growth regulators, also products of refining, are gaining greater significance. For example, "Composan" serves to strengthen the stalk walls of grain; "Flordimex" influences the ripening period. Highly effective plant protection and pest control agents, like fungicides and insecticides, are also results of higher refining.

The expansion of the chemical refining in the GDR is reflected in the expanded production of plastics, pharmaceuticals, chemical fibers, and materials for information recording. The fabrication of such products grew from 115 to 135 percent in the past 5 years. Thus, a fermentation plant in Neubrandenburg began the production of valuable drugs by biological processes.

The production of important chemical raw materials for process chemistry also grew significantly during this time, for example pure benzene, 228 percent, pure xylol, 550 percent and butadiene, 154 percent.

Among the tasks of higher processing is the expansion of the assortment of plastics by specialty types with special use properties demanded by the user. In combination with VEB Chemical Works Buna, by using an improved PVC material for plastic pipes for residential dwelling, the specific materials input was decreased by 23 percent with a concomitant increase in use value. The "filling" of plastic results in an improvement of the ratio mass: performance, higher structural stability, as well as special properties depending on the application like flame retardancy and conducting capacity. PVC modified with basalt fibers, chalk, and other materials results, for example, in sheets substituting for corrugated sheets made from polyester or sheet metal. Filling with refined Leuna lime and/or chalk improves the resilience and saves plastic material and plastic accessories.

Building material, containers, and bottles, and special forms are made from thermoplastic wastes. Their use will increase from 6,500 tons in 1986 to 10,000 tons in 1990.

Between 1981 and 1985, the factory employees of the chemical industry developed and produced 1,300 new consumer products. The replacement rate increased from 14.7 percent to 34 percent. Among the high-value products are the new temperature range cleaning materials, "Glas- und Wannenreiniger-Spray" as well as the cosmetic line "Patras" and "Yavanna".

In addition, domestic raw materials are becoming more significant for the refining industry. An important starting material is rock salt for the production of PUR (polyurethane), also for detergents and paints. Particular sands are required for the products in microelectronics and detergents, whereas lime is essential for the production of carbide. Lignite converted to high-temperature coke is used in the production of carbide.

13016/9312
CSO: 2300/553

FOREIGN TRADE SECRETARY DISCUSSES EXPORT PROBLEMS

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 13 Oct 86 pp 19-22

[Interview with Nenad Krekic, Federal Secretary for Foreign Trade, by EKONOMSKA POLITIKA: "Exports As Stimulus"]

[Text] Along with the successive statistical data indicating that the planned proportions of export growth were not being achieved from month to month, various interpretations of the causes have also been heard. Most of the experts, in the responses they have offered, have made one observation in common: the primary causes lie in the domestic area, while a smaller part can be ascribed to conditions of stronger competition and the closure of foreign markets. It was about the causes of the lag in foreign trade, the prospects, and the directions of the announced changes in the economic system that we spoke with Nenad Krekic, the Federal Secretary for Foreign Trade. A free rendition of the interview was prepared by our journalist Fedja Zimic.

[Question] The share of exports of Yugoslav goods in world trade has already been declining for several years in a row. What is a more precise picture of the trends in this area?

[Answer] The share of exports of Yugoslav goods in world trade has varied during the past period. During periods of stable economic growth and development, the share of Yugoslav exports in world trade has increased, and during periods of stagnation and crises in our economy, a stagnation has occurred. For this reason, the fact that in 1979 we had a minimal share of 0.4 percent in world exports proves that the Yugoslav economy had entered a deep crisis in that period. In that year, the coverage of our imports by exports was 48 percent, and we had a record deficit in the balance of trade of over \$7 billion. Since then, through all of these years, we have succeeded in reaching a 0.56 percent level of participation in world trade in 1985, and in reducing the trade deficit to \$1.5 billion. It is obvious that this is a relative success, at least in the sphere of foreign trade relations, although in spite of this the fact is that we have paid a certain price for the increased level of trade and the reduction in the trade imbalance, through the problems that still exist in the Yugoslav economy.

During the period before us, we are not expecting any significant growth in world trade, and so we must accept the task of increasing our share in world

trade as an extremely difficult one. I think that a level of a 0.7 percent Yugoslav share in world trade at this time would be a task that requires many efforts and sacrifices, but it can be accepted as realistically feasible. Furthermore, it is quite clear that it is essential to take several steps in the Yugoslav economy in order to equip the Yugoslav economy to be better prepared for judgment by the world market. With this increase in our trade with the world, I do not think that it is essential for the trade deficit of \$1.5 billion to continue to be noticeably reduced, because a surplus in the balance of trade can also be achieved by increased noncommodity receipts. It is essential, however, for this level of the trade deficit to be achieved with a higher level of exports, and thereby with a higher level of imports. This would be a way of really creating conditions for a more rapid and more effective growth of production.

[Question] You have discussed the share of Yugoslav exports in world trade and some views of the future directions of its development. You recently returned from a GATT session. What ideas suggest themselves after that meeting?

[Answer] I have the impression that Yugoslavia, both in the economy and in society, is not sufficiently familiar with the system that we call GATT. For a long time it consisted solely of a mechanism for negotiating on tariffs. In the meantime, as world trade developed and there was a desire for every country to "receive" as large as possible a share of the world market, in effect divisions of the world market were gradually made in GATT, through certain mechanisms, as part of each new round of negotiations, with the developed countries taking up more and more room. The introduction of various protectionist measures has reduced the room for goods from the developing countries, and thereby prevented more rapid development of those countries. The need for foreign capital, for faster development, and at the same time the reduction in the room for their goods in the world market, have led to a situation in which it is increasingly difficult for the developing countries to repay their debt. It is precisely for this reason that there is a growing understanding in the world--and this was also expressed at the last GATT Conference--that a larger share in the world market should be ensured for the developing countries; this will be done through a new round of negotiations, the halting of all protectionist measures, and their gradual elimination. Within this framework, Yugoslavia must also be prepared to utilize the larger room in the world market. Unfortunately, I must emphasize that the GATT mechanisms operate in such a way that even with the maximum capability we cannot achieve more than what has been stipulated. It is obvious that GATT has become, perhaps even against our will, a crucial mechanism for the development of world trade, and thereby also for development, and we have to adjust to that fact.

Furthermore, a process of negotiation on services has been initiated in GATT. That area is very interesting, and will occupy an increasingly more important place in world trade. In Yugoslav exports as well, services are already a significant part of trade; this admittedly involves the so-called "classic services," especially in the areas of tourism, transportation, and so forth. The services that we will negotiate on now, and which we will try to include in the share of Yugoslav exports in world trade, would be services in the

areas of information, banking, insurance, very crucial areas in which we do not have a great deal of experience. It has therefore been planned that we will negotiate on services outside the GATT system, and at the time we conclude the negotiations we will decide on a possible general agreement and the institution that would implement it. We will know more about this after four years of negotiations, and we are not ruling out the possibility that this will be regulated within the framework of some new GATT. We are now faced with a difficult period of negotiation, and we will have to do a great deal in regard to regulating services in Yugoslavia and in regard to providing adequate protection for domestic services through national legislation, as well as training people to buy and sell these types of services, and to keep this trade from having a negative impact upon the preservation of certain national interests.

Referring to the GATT conference, I would conclude that trade in commodities has achieved a significant place, and that the developing countries have even obtained some concessions, but that a new chapter has been opened and that the world is ready, in the area of trade, to enter the 21st century in a new way. For this entrance, a country that wants to achieve a high level of development must above all be capable of increasing its exports of services.

[Question] The relatively new Law on Foreign Investments in Yugoslavia was recently changed, but these changes were marginal. Along with this law, people often talk about a Law on Free Customs Zones, which would regulate this subject of exports of services, which you have discussed. Is there any initiative for presenting more substantive changes in the legal regulations in this area that would make the domestic environment more attractive for foreigners and for Yugoslavia's going into the world market?

[Answer] The Law on Foreign Investments, which we have been modifying for several years now, has its weaknesses. It created some dilemmas for the foreign partner, which were primarily associated with the management and transfer of the profit. Since our first law did not give a clear answer to those questions, foreign partners were inclined to invest in Yugoslavia, not in order to extract a profit from production in our country, but rather in order to justify investments in such a way as to increase the sale of their own goods to the joint enterprise. It thus happened that almost all of the joint investments in our economy--earning by importing and losing by exporting--encouraged such an orientation and arrangements of that type even more. We therefore wanted to use the changes in the law, including this latest one, to ensure the confidence of foreigners that their voice in management would be taken into consideration on an equal basis, and that we would ensure unhindered transfer of the profits. We think that these are the key changes, which should lead to foreign partners' being interested in investing in the Yugoslav economy, with the purpose of achieving a greater profit than they would achieve by investing in their own country or elsewhere in the world. If we have not completely resolved all of these matters in the law, we cannot expect any greater influx of foreign capital. Naturally, it must also be said that if we really have not resolved these dilemmas, we will have to keep changing the law until it provides a chance for foreign capital, knowledge, technology, and everything necessary to move into Yugoslavia. Within this framework, it is perhaps easier for the economy and for the system

and the country to achieve this through so-called free customs zones. In this regard, I think that we have clearly expressed our willingness to open up room in these areas for new foreign investments. To tell the truth, the present situation is such that we have not had any practical results, and so we will have to study the problem here as well. We will also have to be very open in this respect: if the foreign partner shows us that he has some sort of dilemma in connection with our regulations, we will have to resolve this through changes in the law. This is above all because we no longer have dilemmas--neither political nor economic, nor any others--as to whether it is precisely such joint investments that represent our chance for development.

[Question] Most experts emphasize that the issue of accelerating exports is primarily an internal and domestic issue. Specifically, in a situation in which exports only occur in two cases--when the state "urges" exports for the sake of debt servicing, or when foreign exchange is used only in order to import what is necessary to maintain domestic production--it is obvious that there is no strategy for exports as a logical consequence of development, or even exports based on comparative competitive advantages.

[Answer] I think that at this time we have to be aware, and reconcile ourselves to the fact, that we are exporting because we need semimanufactures and because we have to repay our debts. We will probably continue to export for these two reasons for another period. It would be bad, however, if this were the only rule for our exports. We have decided that it is development that will have to be the motto for our exports. Part of our problem, which led to the crisis, is that when we encountered the obligation to export for the sake of development, we were not capable of answering that very question. Today when we count how many of us are working in Yugoslavia--close to 7 million people, when we add to this the active working population in agriculture, and when we add the unemployed who would like to work, then we arrive at the figure of 10 million people who are working or are willing to work. Ten million people, according to any economic measures of any higher-quality work and productivity, have to work for 150 million people, and not for 22 million, which is how many of us there are in Yugoslavia. Accordingly, even though we are exporting for these two reasons, we must clearly acknowledge to ourselves that we must export for the sake of the development of the economy and of society as a whole. When we speak of the measures that accompany and will accompany exports, we must take this into account. Through current economic policy measures, we must encourage exports for the sake of semimanufactures, and exports for the sake of debts, but also, strategically, we must encourage the economy to export for the sake of development. Within this framework, all of our measures will have precisely that nature. For this reason, when discussions of exports begin and criticisms begin that we are exporting everything, even what does not have a definite economic justification, we must clearly answer that the present level of exports hardly covers the barest necessities, and to every reply that something "should not be exported" and "not at any price," we should answer "What instead of that?" Although there would be enough room for criticism of such exports, we can relinquish them only when on our development paths we discover new export programs in exchange for what we are exporting today. Within this framework, we have prepared additional assistance for export programs. In this regard we think that it is precisely in this development sense that export programs must

include more knowledge and technology, and integrate the Yugoslav economy throughout all of Yugoslavia, both in labor, and financially and technically. Not by turning economic entities into some sort of export factories, economic branches into export branches, but by creating export products. With such programs we want to provide a stimulus, and in time they will probably create a concept and strategy for Yugoslav exports.

[Question] Export programs can undeniably lead to the creation of a long-term export strategy. This, however, can be interpreted as a desire to create production for the domestic market, and production for export. It seems that if the same production that is going to the domestic market is not capable of providing the kind of quality and quantity required to go to a foreign market, it is difficult to expect any serious and long-term breakthrough in exports.

[Answer] The terms "production for the domestic market" and "production for the foreign market" have been considerably vulgarized. It should by no means be understood as a rule that production for export is of higher quality than production for the domestic market. It is quite certain that someone who would reason in such a manner does not have any real long-term perspective. Production for export, however, exists as a category in other systems of the developed world, but it is essential that these products have an identical quality and characteristics both in exports and in the domestic market. As for who will determine development and decisions, I think that it is clear that there is no one except economic logic. Naturally, when I say this I have a completely clear view that we will see a considerable number of significant steps in Yugoslavia.

Since we have decided upon the concept of the commodity producer in socialism, we must above all answer the question of how much we have equipped the economic entity in Yugoslavia and given it all the necessary prerogatives in order to be a commodity producer. If we had succeeded in this, we could be certain that the economy would guide that commodity producer toward growth, progress, and sales to the world market. If our economic entity has still not become that, then it is clear that even economic laws cannot orient it toward such development tasks. We have to admit to ourselves that we still have not created the conditions for a Yugoslav economic entity to be a real commodity producer, even though we made a political commitment to this a long time ago. The situation in Yugoslavia is that the economic entity behaves like a commodity producer only until the moment that it is doing well. But it very quickly succeeds in throwing the switch and begins to act like a state entity, precisely until the moment that things go badly for it. Then the state appears as an institution, its owner that should save it, which as a rule does happen. Naturally, this is not foreign to other systems and economies either. For example, in the United States assistance was given to the steel industry and the automobile industry. In France, the state also intervened to save the automobile industry. Clearly, this is done through the banks, but certainly with certain state decisions. The difference, however, is that in Yugoslavia this almost always happens, and this is becoming a universal principle.

Consequently, in my opinion, it is very crucial that we really put economic entities in the position of acting completely like commodity producers, naturally, giving them the conditions for behaving in that way and for bearing

all of the consequences and responsibility of such a status. When we succeed in this, we will succeed in having the economy compel economic entities to go and be competitive in the world market.

[Question] Practice shows that unfortunately, the forest of regulations restricting economic entities is increasing more and more. Even the latest announcements of changes in the regulations for the accounting system are not encouraging.

[Answer] I think that at this time we must keep the system of paid sales, although if our economy had any normal liquidity it would not matter whether we had paid sales or invoiced sales. But since we know what the situation with our economy's liquidity is like, paid sales will continue to be present in the long term. Regardless of this, we must make certain changes in the accounting system, which will be aimed primarily at reporting the real income in the transactions of our economy. As for excessive normativism, I think that we have accepted the idea that life will proceed as we have regulated it. We can act through regulations, however, only if we have studied matters thoroughly and in that context given realistic guidelines. It is as if we thought that it is enough to turn desires into laws, and then matters will proceed along the desired course. In this regard, we have to escape from that forest of regulations precisely in order to give considerably greater freedom of action to economic entities, but in doing so we must keep certain criteria that would show whether an economic entity is working in the country's interest or not. I personally think that many regulations that we have passed, and which have proven not to be viable, should be abolished. Thus, for example, we prescribed the organization of labor for the economy, which is absurd. I think that an economic entity can be a real commodity producer as we decided in our basic documents only if it is free to use the introduction of new forms of labor organization to make its business operation more efficient, more productive, and better.

[Question] You have discussed the acceptance of a commitment to the logic of the economy. In other words, that logic should mean the logic of the market: that the successful survive and grow, and the unsuccessful fail. You have also discussed the commodity producer in socialism; where do you see that shift toward the desired situation?

[Answer] The idea that the commodity producer in socialism can be exempt from the operation of economic laws is a mistake. This would mean--unfortunately, we have sometimes even behaved that way--that we can accept as economically justified what the world economy does not accept, and conversely, we can declare to be unjustified what the world economy does accept. Because of this we have had many problems in development, and because of this we have many problems in foreign economic relations. Every state, in its development, is allowed to use internal measures to move capital to those branches which it considers priority ones for its own development, but in doing so it must not forget the surrounding world and the economic laws that prevail in the world. By making such mistakes, we have put ourselves in the position of creating, from the commodity producer in socialism, social welfare for the commodity producer. The socialization of failures in our economic is the most eloquent indication of this. But I maintain that these have never been our program

commitments. Many reasons led us to this, but I think that at this time the essential thing is that by accepting and implementing the Long-Term Economic Stabilization Program, we are moving in the desired direction.

Admittedly, it is obvious that we are faced with the fact that it was much easier to examine all of this theoretically and put it between the covers of the long-term program than it is to carry out that same program in practice. One of the examples is how we are treating and approaching the problem of losses. In a commodity economy in the West, a firm is closed the moment it jeopardizes the capital invested or when it does not provide the expected profit. In Yugoslavia, however, a firm is closed when all of the invested capital, the "substance," is destroyed. This means that the situation is so fundamentally different that either you have or you no longer have liquid funds that can be used even after the closure of the firm and can be productive again. In our case, nothing remains any longer after the closure. It is those institutions which we have to set up differently, which when one of our enterprises is threatened, we must look into when its financial conditions must be straightened out--the moment it has begun to produce losses, as is the case now, or the moment it is illiquid, which in my opinion is the first time that its financial rehabilitation should be discussed. If we discuss it in that way, perhaps we will reach the point where in the financial rehabilitation proceedings for an enterprise we will have a starting point for the creation of some new and profitable enterprise.

[Question] The SFRY Assembly is just now working on outlining and adopting the economic policy concept for next year. Until recently packages of measures were discussed. Now a program of measures for changing the economic system has been announced, along with ten theses for that project.

[Answer] What we have to agree upon first in Yugoslavia is that the rate of export [growth] has to be higher than the rate of the growth of production. I think that there should not be any confusion about that in any part of Yugoslavia. Furthermore, I think that exports could grow at a rate of 5 percent, with a growth of production of about 3 percent. Naturally, if there turned out to be more room for growth in production, we would also aim for larger exports. Such exports at this time would offer answers to most of the problems that we have at this time. I must comment, however, that those exports will take place under more difficult conditions than this year. I see the reason for this as being the fact that to a certain extent we will increase both exports to and imports from the CEMA countries, but that we do not have much room to increase exports to the developing countries, which admittedly have large requirements for our goods, construction projects, etc., but are under pressure from debts and increasingly smaller receipts of convertible funds because of the low prices of the raw materials, oil, etc., that they possess, and are thus unable to increase imports of our goods and services during the upcoming period. Consequently, we are left with the developed country market. This year we are achieving a certain growth of exports to those same markets, but the fact is that more and more high-quality goods are appearing in those markets. Consequently, maintaining ourselves in that market means providing increasingly better goods. For these reasons, it is necessary to expect sharp competition, and more rigorous export conditions.

If we can say with certainty that it will be more difficult to export, than we can give some support to that effort to export. When I say this, I have in mind continuing to maintain a dinar exchange rate that is as realistic as possible, followed by credit-monetary policy measures, along with measures involving exemption from certain taxes and contributions.

Furthermore, naturally, the key task next year will still be curbing inflation, because an economy that lives under conditions of high inflation is not capable of being competitive in exports. In this regard we should expect measures and results in not only halting but even reversing inflation.

What you called the package of measures was in fact certain modifications that were supposed to lead to halting the negative trends in our economy, which were particularly pronounced during the second quarter of this year. These measures clearly did not have any long-term nature, but I emphasize that they were essential and that they yielded results to the highest possible degree. We are now going to the SFRY Assembly with theses that should provide the basic directions of the changes in the economic system in order to stabilize our economy. Naturally, the areas of these changes were determined by the long-term program and the Resolution of the 13th LCY Congress. At this time, we have given priority to the areas of acquiring and distributing income, the accounting system, financial rehabilitation, the system of taxes and contributions, credit-monetary and banking policy, the social planning system, the system of labor relations and employment, the system for social control over prices and curbing certain monopolistic positions, and finally, social policy. In November, we expect the SFRY Assembly to discuss the implementation of all the laws regulating foreign economic relations, and we hope that this will give rise to definite ideas and demands for the modification of this segment of the economic system.

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CSO: 2800/25

EFFECTS OF ASSOCIATED LABOR ON PRODUCTIVITY EXAMINED

Zagreb VJESNIK (SEDAM DANA supplement) in Serbo-Croatian 18 Oct 86 pp 2,3

[Article by Milan Jaksic: "How to Produce More Inexpensively"]

[Text] Since our debts are large and capital accumulation from the economy poor, where else but in opting for greater rationalization of production (and not only production) as a fundamental factor in labor productivity can we find a way out of the dilemmas that crop up in discussions of our economic strategy? More efficient utilization of what we have (primarily labor and scientific capabilities) will enable us to get what we do not have faster.

We are in the habit of saying such things, and then we do not go beyond the statements, leaving the substance of our economic development to time, which does not permit any delays. This is especially true when it is necessary to work out thoroughly the initiatives of the top party and state authorities in areas where goods are directly produced or in areas affecting the coordination, summarization, linking, and dispersion of all these initiatives. The more thorough among the chroniclers of our social (and especially economic) events will justifiably wonder what happened to the implementation of economic rationalization. Are we sufficiently involved in monitoring examples of successful rationalization as lessons to others? Where are our analyses of the organization of associated labor since the time we opted to restructure it fundamentally? In what areas did the basic organizations of associated labor, as the basic components, show good results? Where did the association of labor show itself not to be rational? Is it possible to draw correlations between economic laws and self-management and especially between marketing and self-managing decision-making? In this specific context, how can self-managing socialism prove advantageous vis-a-vis other systems? Have we worked out in sufficient detail Dr. Vladimir Bakaric's thesis that the problem of inflation is a problem of self-management?

Production expenses, a real indicator of our place in world trade, are still a crucial problem for us whether we want to admit this or not because our labor productivity from 1981 to 1985, in comparison with the 1976-1980 period (when labor productivity growth was 4.5 percent) had an average annual growth of minus 0.6 percent. As far as the economy as a whole is concerned, the growth rate was at first 2.1. It then fell to minus 1.8 percent (the data were taken from INFORMATOR, a Yugoslav reference and information journal on economic and

legal topics). Similar trends affect the social product, employment, technical equipment, equipment efficiency, etc.

Here is how Dr Slavko Kulic from the Zagreb Economics Faculty partially described our faulty productivity at a meeting:

"Of the 6.5 million people who are employed, approximately 800,000 are absent from their jobs because of illness. Approximately 400,000 people attend meetings during each working day. We have as many as 160,000 drivers, 145,000 of whom drive passenger cars. Out of 24,000 who hold doctoral and master's degrees, only 1,100 work in industrial production. Only one third of the 173,000 engineers work in industrial production. Furthermore, over 70 percent of the accumulated capital does not go to the economy.

Table 1

	average annual rates		
	1976-1980	1981-1985	1986-1990
1. total economy			
--social product	5.6	0.5	4.0
active population			
(in the economy)	1.1	0.9	0.9
--labor productivity	4.5	-0.4	3.1
2. social economy			
--social product	6.2	0.6	4.0
--employment	4.0	2.4	2.0
--labor productivity	2.1	-1.8	2.0
--technical equipment			
in production	4.0	1.7	1.5
--efficiency of equipment	-1.8	-3.5	0.5

Plan and Analyses

In order to expect better results in the conduct of business, according to the Medium-Term Plan, labor productivity in industry should grow at a rate of 2.5 percent and in agriculture at a rate of approximately 5 percent. Emphasis was placed on 11 branches of the industry where productivity should increase much faster than the average at a rate of at least 2.5-4.5 percent. These branches include oil and gas production, steel industry, machine building, electrical machinery production, and production of chemical and food products.

This is how it stands in real and planned numbers. In spite of the emphatic (and welcome) initiative of the Federal Executive Council, however, and the initiatives of other authorities dealing with the economy, one has the impression that this is one-way communication because it is very difficult to perceive any response that would indicate what associated labor thinks of all this. Except for isolated speeches by certain officials (for the most part managers) from associated labor given at various meetings, there have been few comprehensive analyses that would indicate how the new organizational plan is working and what its good and bad points are. For that reason, one should not be surprised by radical departures from the plan in question in favor of

something that we had earlier and by the fact that plan was abandoned because it turned out not to be rational.

We have opted for organizational (and production) dispersion in order to shatter the shell in which enterprises found themselves. These enterprises' possessive mentality ("my enterprise," "my factory yard," "my property") frequently violated every type of economic logic because of attempts to grab as much as possible, regardless of whether achieving income in such a manner harmed somebody else, violated economic laws, or was to the detriment of those under the illusion that such income was a true indicator of real strength or capability. It seems that the increasingly frequent tendency to join enterprises once again is due to two basic reasons; a reaction to everything that is not rational (the question is whether the things that are not rational predominate) and to the excessive politicization of the very concept of the basic organization of associated labor, and the fact that this type of dispersion was pursued more in response to a certain political pressure than to the demands of modern economic conditions. Furthermore, bureaucratic organizations will always gladly agree to a restoration, even partial, of something they have lost.

Consequently, if we argue whether something is a basic organization of associated labor or an enterprise without thoroughly analyzing the period we have just gone through, we will be more likely to go from one extreme to the other instead of understanding the real measure of the new values we are so noisily advocating. It is clear that in this case an argument without a valid basis will bypass all those aspects of associated labor that yield above-average results and confirm in a very practical manner the concept's validity.

Jumping Over Fences

The basic question is how much the association of labor and the consequent dispersion have contributed to decreasing the production costs. Where (and why) did it affect the costs of doing business? Where (and, of course why) did it not? This is because experiences from some more complex systems still attest to the desirability of cutting costs, especially in situations where each production segment (or basic associated labor organization) has shown itself to be a complete production unit independent of whether its final product is destined for store shelves or whether it produces so-called semi-manufactures that comprise only one link in the chain of a complex production system to which the producer belongs. Even in systems where there are basic associated labor organizations with complete productions it is possible to find noteworthy increases in labor productivity if these organizations have a joint development service and efficient self-management bodies. Among other things, a system's success in the marketplace creates a name for it and makes it widely known. Consequently, no one should be surprised by the fact that more and more basic associated labor organizations are jumping from one system to the next regardless of high factory fences.

Regarding association of labor, the worst results have been achieved in areas where apples and oranges have been mixed or forced together into a system of different types of production that do not complement each other in any way.

In such cases production costs rise in proportion to the growth of new types of irrationality because of the organizational system makes no sense (essentially because of relationships have been perpetuated) and because the administrative personnel in the newly formed work associations increases. We find completely different indicators, however, in areas where individual types of production complement each other. This is especially true if the participants in joint production have established all the relevant parameters, from the structures to the norms, as the most realistic values for measuring each individual contribution to the joint product.

It seems that this is the only way to achieve greater rationality in production, including greater labor productivity, because an organizational definition of each production phase would make it easier to avoid duplication of labor, idleness, and lack of direction in production. In such a situation, each associated labor organization, as a specialized merchandise producer, is faced by only one easily recognizable task--providing the highest quality and least expensive participation in joint production so that as much as possible can be earned through joint income. At any rate, such trends exist in the mostly highly developed of the world's economies, where the best functioning individual producers are those who can easily adapt to all changes in the marketplace demands. In such cases, integration is achieved not through political pressure but rather through economic forces.

It is therefore not incidental (nor is it an ideological somersault) that in the West employers involved in this type of production frequently opt for so-called workers' participation. It is simply a matter of getting the most from their firms' employees. This is especially true in the case of the irrepressible tendency toward creativity (or of the increasingly more important role that intelligence plays in modern production). We could say that in this context self-managing socialism does have some advantages vis-a-vis other social systems.

Self-managing organization of associated labor, as we envision associated labor, precisely defines each production phase and creates opportunities and greater motivation for self-management. Such motivation relies on a real, concrete, agreed upon, and planned production that is determined by regulation rather than an imaginary production performance that is frequently protected by the knowledge that poor production results will be covered by "someone else," an enterprise in the role of protector of joint interests or the state which is presumably also protecting itself. Under the new conditions self-management is no longer merely the ideological framework for production but the moving force behind it. Such conditions will provide a good opportunity to get the most from each person, and to have everybody say what he thinks about the production process and suggest innovations in the areas of organization, production, or incentive pay. Consequently, everything should be aimed at decreasing the cost of production because this is the only way to accumulate capital.

Production Control

This will make it easier to establish market criteria which are still the most reliable indicators of success or lack thereof in such situations. By

controlling production and all of its parameters, each segment of associated labor will have direct contact with the market. In turn this will lead to a symbiosis of self-management and the market in which self-management will become a means to achieve a specific goal and the correct way to improve labor productivity. Consequently, the achievement of the right to self-management in such situations initiates an unstoppable inertia because it stimulates creativity in the joint production chain.

At any rate, what other way is there to halt the inflationary spiral? Results of greater productivity are quite clear. They are higher production, more competitive prices, and more success in exports. At the same time, there will be more merchandise on domestic store shelves. Furthermore, the relationship between the cost of production and more attractive consumer prices will help stabilize the relationship between supply and demand, which will also help stabilize prices. We will no longer have pressure from the money mass on the available merchandise. This pressure has been such that the only possible response to frequent price increases has been to continue to print money which contributes to constant inflation.

9110/7358
CSO: 2800/33

UFO INCIDENTS REPORTED, 'TAKEN SERIOUSLY' BY AIR DEFENSE FORCES

Warsaw PRZEGLAD WOJSK LOTNICZYCH I WOJSK OBRONY POWIETRZNEJ KRAJU in Polish No 11, Nov 86 pp 32-35

[Article by Air Force Col. Ryszard Grundman: "UFO Encounters"]

[Text] Unidentified flying objects, abbreviated NOL [niezidentyfikowane obiekty latajace] in Polish or UFO in English, undoubtedly rank among the great mysteries of our time. These phenomena were observed as far back as antiquity, but reports on the appearance of UFO's started coming in with greater frequency after WWII. Sometimes these phenomena are so impressive that observers are convinced that they must be extraterrestrial in origin. Science is not yet in a position to provide a full explanation, and so the subject of UFOs, still shrouded in mystery as they are, always manages to excite curiosity.

Poland is no exception in this regard. In this country too there have been several dozen incidents in which sightings of various kinds of mysterious objects are reported. By relying on laws and phenomena known to science it has been possible to explain some of these sightings, but some others remain unexplained to this day owing the paucity of supporting data.

Military pilots have also had some encounters with this unusual and interesting phenomenon. Even though members of this profession, who are otherwise very knowledgeable about and familiar with all sorts of flying objects, view the subject of UFOs with a more critical eye, the fact remains that some of the things they have seen have left them with the impression that such objects are "not of this Earth."

It was 1983. Right around the beginning of the new year and air traffic control service of the National Air Defense Forces started receiving reports from the field on sightings of unidentified flying objects. We got the bulk of these reports on 2 December. The reports stated that UFOs had been sighted in the vicinity of several airfields on that very day (in the early evening hours). The UFOs were flying alone or in groups at high altitudes. They emanated a red and white light and produced intensely colored contrails. It was estimated that they were flying at an altitude of around 10,000-15,000 meters. This was strictly a visual estimate, since the presence of these objects in our airspace did not show up on any radar.

On that same day and at the same hour a civilian pilot from Mielec, a Mr Mikolajczyk, radioed an air traffic controller to report that some sort of craft was flying at an altitude of around 60 meters through the same sector in which he was making a training flight with an AN-2 aircraft. Trailing behind the object was a plume of bright flame, and a light was shining from the front. Even though the object was flying right below him, he did not hear any engine noise.

Intrigued as I was by the content of these reports, I decided to look into these strange phenomena. I made a call to Minsk Mazowiecki to the regiment which I used to command for many years in order to talk with the people who were firsthand witnesses of these phenomena. I managed to get in touch with pilot Roman Kurczewski. I knew him to be a business-like officer who did not go in much for imagining things. The account he gave struck me as being the most credible. "A large group of us, pilots and mechanics, went out in front of the waiting room building," says Roma, "to hear for our planes. At that very moment we noticed some sort of craft that was flying right overhead on an easterly course at an altitude of around 600 meters. We could see a pair of bright orange flames trailing behind it that looked like the exhaust emitted from the nozzles of jet engines, and in the front of the thing, at the place where you would expect to find a cockpit, there was this brightly illuminated aura. I did not see the actual object, since it was already dark. We were all astonished, since in spite of its close proximity you could not hear any noise from working engines. In terms of the laws of physics, this was totally unnatural; we are not accustomed to seeing such things. By the same token it would have been hard to accuse the entire group of people who witnessed this of succumbing to some kind of mass hallucination. At that moment there were no aircraft or automotive engines in operation at the airfield that could have caused the observers to be mistaken about this."

The fact that one could not hear the engine noise of craft flying at high altitudes can be explained by the fact that the wind carries away the sound out of the observer's range of hearing. This is something that happens all the time, even in clear weather. In these situations we do not hear the aircraft, but we can track its course by its clearly distinguished contrails. However, the fact that we can see but not hear a craft flying at a low altitude is something strange and unprecedented--at least up until now.

Lieutenant Colonel Edward Mydlarz who was working with me on this took the opportunity to inform me of a similar phenomenon which he witnessed a few years ago when some pilots sent in a similar report. While conducting a night flying mission at medium altitudes they observed a strange craft flying below them and trailing a fiery exhaust. This was also confirmed by pilots on the ground. The object was flying over the airfield at an altitude of around 2,000 meters. They could not hear anything, and the radar did not pick it up either. The explanations offered produced nothing new. At that time no other units were flying any missions. Since there was not enough evidence to prove that it could have been an aircraft, the object was officially classified as a UFO. The documentation produced by the resulting investigation were put away in the file of unresolved cases.

I gathered up all the reports and documentation and sent to see my aviator colleagues to find out what they thought about this unusual case. But my colleagues did not have any firm opinion on the matter either, since neither I nor they were "eyewitnesses" to these phenomena. And we were cautious in our judgments so as not to lose face by jumping to premature conclusions about something that was truly strange. Only Colonel Wieslaw Okon, our walking aviation encyclopedia, recalled that a few years ago pilot Apoloniusz Cz. was returning to base on a Lim aircraft after completing a mission and flying at an altitude of a few thousand meters when he noticed a bright object shaped like an upright cigar. Intrigued, he turned the aircraft in the direction of the object, thinking that it was some kind of balloon. The object had a fluorescent silvery color, and it emitted a dull but light glow underneath. At a certain point A. Cz. realized that instead of getting closer the craft was moving away and gaining altitude. Moreover, it was gaining altitude at a much faster rate than his subsonic jet was capable of matching. But he did not give up. As befits a purebred fighter pilot, he was stubborn. So, he gave chase to the fast fleeing object for a long while until he reached his operational ceiling. At this point he could do no more. He looked on from afar for a few moments more as the strange object hovered motionless at an altitude of around 16,000 meters, after which, disappointed that he was not able to determine what this strange thing was, he was forced to return to base, since he was running low on fuel.

Several months passed since I was told about this. Then one day I ran into Colonel Jerzy Topolnicki at staff headquarters. With a mysterious grin on his face he invited me into his office saying that he had something interesting to show me. My curiosity aroused, I followed him. Jurek [diminutive of Jerzy] opened his safe and handed me two memoranda that had been written by pilots. They submitted the following report: "On 6 July 1983 we were on combat alert duty when we received the signal from the command center to take off on an airborne target intercept mission. We were flying at 100 meters in conformity with orders to fly out over the sea to a distance of 50 kilometers from the coastline. I established contact with the next command center," writes crew commander Captain Zbigniew Praszczalek, "which at a certain point ordered me to turn back. Just before we reached the coastline I was told to increase my altitude to 1,000 meters, then to 2,000 meters, levelling off at 4,000 meters. At 4,000 meters, after making some very high-intensity maneuvers, my observer Lieutenant Colonel Wieslaw Jucewicz reported that he could see the target against the backdrop of the ocean. Since I could not see the target, I directed him to make some course adjustments to bring the aircraft in closer. Finally, at an altitude of around 3,000 meters I was this strange looking object that was flying crookedly in an elliptical pattern along the coast to our port. I reported it to the command center that I had the target in view and was closing in to identify it. At the same time, I took over the aircraft controls from the observer. After closing in within around 300 meters of the object, I radioed in my physical description of it. It had the shape of an elongated cylinder rounded off at both ends. It was approximately 6 meters long and around 2 meters in diameter. It had no markings and no apparent control surfaces. Nor did it appear to have any

engines or apertures. It did not have any exhaust trail. It was black in color, and in the glare of the sun it appeared similar to blued gun metal. When we approached to within 200-300 meters of the target, it made a 180-degree turn and headed in our direction. It made a pass from our starboard to port side perpendicular to our flight axis and at the same altitude. I instinctively pushed back on the control stick to decrease our altitude and avoid colliding with this strange object. At the same time, I readied the onboard weapons while inquiring over the radio for command authorization to fire. At one point, in order to stay close to the target, I had to pull hard on the controls to make a sharp turn in pursuit of the target. I was on the point of blacking out from the G-load. At this point the target banked to our port side forcing me to do the same. It then proceeded to move away from us at a fairly high speed. It was moving away at an air speed of around 500 kilometers per hour, exceeding our own speed by at least 300 kilometers per hour. It was maneuvering in a way that made it seem like it wanted to turn back on our tail. I tried to prevent this from happening. In the meantime the object was flying while rotating around its entire surface in what seemed to be a very sluggish manner. Finally, it made a very sudden maneuver forcing us to make a sharp descending turn at which point we lost sight of it. It was at this point that I received authorization to fire. But this decision came too late. The target had disappeared. I made a few more passes around the area in an effort to find the elusive object, but to no avail. We could not see it any more, and it was time to head back since the fuel gauge was moving on relentlessly down to empty. Another plane had by then entered the area."

"Throughout the period of visual contact," the pilot added, "the distance between us and the UFO amounted to 900 meters at most and, at the nearest point, 120 meters."

I read the pilots' report, and then Jurek and I looked at each other for a long time without saying anything. Well, what was there to say about something like this? We could not come up with any explanation. Something must have been there, but what? The early warning radars had detected an object and guided the aircraft to it. But then the radars lost track of it just as the pilots had. It had simply disappeared. Jurek carefully folded both statements and locked them away in his safe. Let them stay there. Maybe someday they can be referred to supplement other reports and thus produce a fuller picture that will explain the UFO mystery. We will wait and see.

The official reports on UFO sightings have been set up the line through the various levels of the military hierarchy. The National Air Defense Forces have received instructions which state that they are to carefully analyze this problem within an air safety context and issue orders calling for the drafting, with the help of specialists, of rules of engagement for situations of this nature. Orders have been given to make full use of the manpower and resources of the air traffic control service of the National Air Defense Forces and Air Force. Instructions have also been given which state that in

each and every case of UFO sightings a preliminary assessment should be made of the observed phenomena and that the findings resulting from this analysis should then be forwarded on for further investigation with the assistance of specialists from scientific institutes.

The UFO issue is being taken seriously.

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CSO: 2600/211

PLAN FOR TREATMENT OF WAR VICTIMS IN TOURIST HOTELS

Bucharest REVISTA SANITARA MILITARA in Romanian No 2, Apr-Jun 86 pp 127-129

[Article by Major Viorel Vladau, MD: "Problems Regarding the Hospitalization and Treatment of the Sick and Wounded in Tourist and Health Resorts"; first three paragraphs are REVISTA SANITARA MILITARA introduction]

[Text] In modern warfare, mass injuries of military personnel and civilian population can be numerous and often extremely serious.

The tourist and health resorts that have housing space, food-service possibilities, and necessary logistic installations and equipment can also be considered for giving medical aid and for longer hospitalization for rehabilitating the sick and wounded. They can be utilized both by military medical formations and by those of the Ministry of Health for varying periods of time, depending on their capacity and the operational and strategic situation. It is advisable that some of these resorts, hotel complexes, and sanatoriums be equipped back in peacetime with medical apparatus and instruments and, depending on the makeup established, be staffed with medical and military personnel.

(Field medicine)

In the event of a war, it is expected that the mass injuries of the combatants, but also, equally, of the civilian population, would be frequent and highly serious, and the giving of medical aid and the treatment and rehabilitation of a large number of sick and wounded in order to become fit for combat or for activities in the national economy raise highly complex problems. Under the concrete conditions of our country, for which, in conformity with the national military doctrine, any war will be a war to defend the homeland waged by our whole populace, the solution to this problem can be facilitated by utilizing the capacities existing in the tourist and health resorts.

To this end, through some arrangements and adjustments of greater or lesser scope, dictated by needs, some supplying and equipping can be done in due time, it being possible to provide for them and even do them back in peacetime, as part of the measures to prepare the territory and the national economy for the homeland's defense.

The use of the tourist or health resorts for the hospitalization and treatment of the sick and wounded in wartime is justified and favored by the conditions and characteristics that these resorts offer. Thus, they have hotel capacities, the great majority of them with a high degree of comfort, with rooms with two-four beds, with sanitary facilities, and equipped with the necessary furniture and bedding.

The heating of the housing space is provided by steam-generating plants and central heating installations. In these resorts there are spaces for food preparation and service, cafeterias, restaurants equipped with the necessities, and spaces required for food storage, capable of meeting the needs of a larger number of persons in general than the existing housing possibilities. There are also modern mechanical laundries, provided with the equipment needed to do the washing of underwear and bedclothes.

The majority of the sanatoriums in the health resorts have spaces for treatment, apparatus for diagnosis, and laboratories for medical analyses.

The railroad and road access routes, modernized and well maintained on the whole, favor the access of the sick and wounded to these resorts and the supplying of various materials, and in general, their geographic location is suitable from an operational and strategic viewpoint.

The arrangement of the hotels and sanatoriums in the tourist and health resorts for their use in treating and hospitalizing the sick and wounded can be done in a relatively short time by organizing or expanding the spaces for medical and surgical treatment and for diagnosis and by supplying or supplementing the necessary medical and health apparatus, instruments, and equipment.

Depending on the needs of the troops and the population, on the capacity, and on the distance to the zone of the combat actions, interior-zone hospitals, hospitals for the population, and permanent hospital bases can be set up in the health resorts. In addition, if necessary, hospitals or clinics in the urban centers temporarily occupied by the enemy can also be evacuated there, and other medical formations that would provide for the population temporarily evacuated from certain areas of the country can also be organized.

Overlapping partially or totally, the field medical formations of the troops with hospital bases (sections) could also function temporarily in the health resorts for a longer or shorter period of time, depending on the course of the military actions.

The motels and cabins with a smaller housing capacity, located in the zone of operation of the troops, could be used by installing in their spaces the medical formations of the minor units and the major units. In all these cases, the specific medical and health apparatus, instruments, and equipment will be those of the military medical formations, with the exception of the cases in which, back in the period of tension, the cabins were equipped with such materials in conformity with the measures to prepare the territory for defense. In addition, the medical and health personnel would be those who staff the medical formations, but the administrative and management personnel could also

be supplemented with those existing on the staff of the hotels, cafeterias, restaurants, and laundries.

Of course, permanent hospital bases whose equipping and supplying can be provided for, studied, and done through storage of materials and some arrangements back in peacetime could operate in the tourist and health resorts located in the central part of the national territory, in areas in which military actions are not expected to take place or which will be unoccupied zones. Thus, on the declaration of the state of emergency, the transformation of them in accordance with the plan to prepare the territory for defense could be undertaken in a short time, it being possible for them to go into operation at the appropriate time.

Conclusions

The use of the tourist and health resorts for the hospitalization and treatment of the sick and wounded is advisable and offers optimum possibilities of attainment.

The designation of them as treatment formations can be established both for the sick and wounded from the troops and for those from the population or in combination.

Depending on the combat situation and on the conditions existing on a local level, they can be used, through partial or total overlapping, by the medical formations of the troops and by medical formations of the Ministry of Health, but also as permanent hospital bases for the treatment of the sick and wounded until recovery.

The performance of the activities of treating and tending the sick and wounded presupposes their setup, which consists of arrangements and supplies of materials and apparatus and of staffing them with medical and health personnel.

(Article entered editorial office on 28 May 1985)

12105
CSO: 2700/61

USE OF PSYCHOTHERAPY IN REHABILITATING PILOTS

Bucharest REVISTA SANITARA MILITARA in Romanian No 2, Apr-Jun 86 pp 161-164

[Article by Colonel Florin Uleu, MD: "Current Concerns Regarding the Rehabilitation of Flying Personnel for Flying"; first four paragraphs are REVISTA SANITARA MILITARA introduction]

[Text] Human and economic reasons dictate the use of the most suitable methods of steady restoration of fitness for flying and of rehabilitation of ailing flying personnel in the shortest possible time. In this regard, the current tendency to lessen the utilization of pharmacotherapy, and the use of physiotherapy and psychotherapy to increase flying safety, are noted.

Studying the evolution of the medical casualties over a 30-year period (1950-1979), one notes the fact that, beginning with the 7th decade, the neuropsychic pathology has occupied first place among the causes of permanent unfitness for flying.

At present, in rehabilitating fliers for flying, there is a more and more frequent appeal to the techniques of relaxation with beneficial somatic and mental effects and to various means of psychotherapy and physiotherapy. The experience of foreign authors regarding the treatment of mental disorders appearing in flying personnel is mentioned, there being suggested, finally, the necessity of improving the rehabilitation for flying of pilots with mental disorders that can benefit from psychotherapy and physiotherapy.

(Aeronautical medicine: rehabilitation)

The pilot-aircraft combination represents one of the most stressful confrontations between man and machine from both a biological and a neuropsychic viewpoint. In this regard, flying--in complete safety--in supersonic fighter planes raises various technical and human problems.

The matter of validating from a medical viewpoint man's ability to pilot a certain aircraft entails a rigorous medical and aeronautical selection and evaluation by means of a periodic specialized medical checkup and a daily examination at the airfield.

The medical security of the flights entails continual improvement in the activities of medical and psychological selection and evaluation and in the

medical assistance with a view to rehabilitating the patients for flying in the shortest possible time. In addition, it involves the supervision--for preventive purposes--of the way of carrying out the activities and of pacing the effort and rest of the fliers, with a view to restoring as completely as possible their physical and mental potential.

In this view, the main objective of aeronautical medicine remains the preservation, strengthening, restoration, and recovery of physical and mental health, for maintaining the fitness of flying personnel for flying.

Besides the usual medical aspects regarding the physician's involvement in giving assistance for somatic illnesses or mental disorders, aeronautical medicine also entails the physician's participation in knowing the flying personnel from all angles of the daily life and activity of each particular pilot, monitoring the flying personnel dynamically for the entire period of their flying activity, from admission to flying school until pensioning.

The physician's success in the action of dealing completely with the factors that can influence the life and health of the fliers depends on his good professional training, but especially on the qualities of a fine observer and a good judge of the human mind, capacities for understanding, dialogue, and communication, which make the flight surgeon a generally accepted confidant.

We mentioned in the introduction the great biological, but especially neuropsychic, stress on the flying personnel engaged in combat aviation. As a matter of fact, nowadays, the stress on man, even in the professions considered easy and in everyday life, is predominantly mental.

Studying fatigue and overwork among fliers, the Soviet authors note the increase in mental stress during flight and therefore the appearance of mental and emotional fatigue. This situation is explained by the fact that piloting activity with supersonic aviation technology is characterized by intense mental activity at a rapid rate of work with complex aircraft instruments. In addition, a psychoemotional strain caused by the high risk of the actions undertaken in the piloting of supersonic aircraft under frequently changeable weather conditions, etc. is also noted.

By analyzing the statistical data emerging from the study of the dynamic structure of the causes of permanent unfitness for flying in our country over a 30-year period (1950-1979), we were able to ascertain to what degree this trend of growth in neuropsychic stress on the entry of supersonic aircraft into service in aviation is reflected in the pathology of flying personnel and, respectively, in the medical casualties in flying. The work was presented in 1980 at the International Conference of Aeronautical Medicine in Prague.

The data given in Table 1 bring out the fact that, beginning with the 7th decade of our century, mental disorders moved into first place.

The differing structure of the medical causes of unfitness in the decades researched is also explained by:

The transition to supersonic aviation in the 7th decade;

The improvement in the medical examination and the diversification of the examinations simulated in the laboratory;

The introduction of the psychological examination, beginning in 1960;

The change in modern man's pathology linked to the multiplication of the risk factors and the proliferation of chronic degenerative and metabolic illnesses.

Table 1.

	Period	
	1950-1959	1960-1969
1. Infectious pathology	25.22%	Neuropsychic pathology 41.17%
2. Digestive pathology	14.86%	Cardiovascular pathology 11.76%
3. Neuropsychic pathology	13.06%	Nephropathies 9.41%
4. Cardiovascular pathology	13.06%	Metabolic and degenerative pathology 28.84%
		Cardiovascular pathology 26.92%
		Metabolic and degenerative pathology 13.40%

Analyzing separately the situation of the unfitness for flying of the students at the military flying school over a 12-year period (1973-1984), we note the fact that those unfit for psychological and neuropsychic reasons--according to class years--represent 60 percent of their total number in the 1st year, 94 percent in the 2d year, and 90 percent in the 3d year.

Knowing the great investment needed for training a top pilot both from a material, financial, and technical viewpoint and especially from a human viewpoint and considering the requirements in the selection and theoretical and practical training of a supersonic fighter pilot and the immense cost that is connected with such a flier, one special task that devolves upon aviation medicine is that of rehabilitating as many ailing pilots as possible for flying.

In a recent study (1980), Peper and Kord (GDR) make references to the psychotherapeutic activity in aeronautical medicine and the results obtained over a 15-year period. The cited authors feel that autogenous training constitutes the basic method of complex psychotherapy, which includes both supplementary methods like sports, ergotherapy, heliotherapy, and motion therapy and special psychotherapeutic methods: individual conversations, group discussions, musicotherapy, chromotherapy, and group psychotherapy. The flying personnel's psychosomatic functional disorders, diagnosed through consultations in airfield medical dispensaries and in specialized departments, were treated by means of a 3-week psychotherapeutic program in the inpatient unit of the Military Institute of Aeronautical Medicine. The disappearance of the symptoms occurred in 80 percent of the cases, and the fitness for flying was maintained for 60 percent of the pilots. The authors state that, along with neurasthenic and phobic reactions, the cases of monosymptomatic vegetative neurotic reactions in the field of internal medicine (circulatory, digestive, and other functional disorders) also benefit from psychotherapy.

In the case of functional disorders, drug treatment was abandoned completely for reasons of flying safety.

Besides the therapy of concentrative relaxation, therapy through music (musicotherapy) was successfully introduced, since both induce a state of calmness and psychosomatic relaxation. The therapy was done in groups of five-eight participants, with dynamic group conversations being gradually undertaken. It is recommended that autogenous training be continued on an outpatient basis.

In the case of the phobic reactions appearing on special flying missions, the authors propose that they be called "a disorder of the sense of safety during flight," instead of the pilot-traumatizing labels like flying phobia, air sickness, or neurosis.

In the same context, a staff of physicians and psychologists in the French Army deals with "Problems of Mental Health in the Aeronautical Environment," in *MEDECINE ET ARMEES*, No 2, 1978, noting the rarity of mental illnesses proper, but noting at the same time the frequency of the adaptive disorders resulting from conflicts between an individual and his associates. The authors feel that the difficulties of communication within the group constitute the main causes of these illnesses, and they see the remedy not in finding and eliminating the persons with difficulties in adaptation but in finding the methods of facilitating the process of communication that is capable of resolving the conflicts.

It is felt that a correct approach to mental hygiene must be centered around psychological interventions aimed at establishing a dialogue rather than around systematic, psychotechnical examinations oriented toward possible removal from flying.

In the article "Psicologia e sicurezza del volo," published in *REVISTA AERONAUTICA*, No 5, 1979, G. Gallo proposes on the basis of personal experience at the Viterbo Instruction Center that two psychologists, one with a clinical background for relational therapy and one with a psychotechnical background, be included in the structure of the flying-safety body.

We have presented a few references regarding the manner of approaching now in some countries, of handling by means of psychiatric medicine and medical psychology the cases of behavioral mental disorders and the vegetative neuroses that benefit from psychotherapy. Since there is a need for improvement in the methodologies for rehabilitation of pilots in convalescence after medical and surgical disorders, but especially of those with slight mental disorders and with maladaptation to flying, we also invite other specialists to express their opinions, to share the experience accumulated.

(Bibliography available from author)

(Article entered editorial office on 25 December 1985)

12105

CSO: 2700/61

POLITICAL REFORM: GIVING UP POWER MONOPOLY

Budapest TARSADALOM KUTATAS in Hungarian No 2, 1986 pp 104-108

[Article by Mihaly Bihari, Leader of the Lorant Eotvos University of Arts and Sciences Political Science Group: "Reform and Democracy: Questions and Answers about Reform"]

[Text] We abound in reforms. At least as far as talking about them is concerned. There is hardly any domestic sociological publication without at least one study, interview, round table conference or debate series on reforms in every single issue. This is important but, at the same time, misleading. Important because--aside from anti-reform opinions couched in reform phraseology--most authors and exponents acknowledge the fact that although economic reforms have resulted in significant changes in the area of politics, too, the most important task is to start with reforms in the political sphere and carry them over into cultural, educational, health, socio-political, communal, etc. areas, because so far none of that has taken place. The misleading part is that it gives the appearance that the country's leaders and the majority of its citizens are equally staunch supporters of reforms.

In earlier times it was necessary to couch even important changes and decreed reforms in terms "proclaiming" the unalterability of the system and its mechanism; the situation is different now. The most obvious anti-reform attitude appears in reform guise. All the cautious progress, careful change, so-called "protection and stabilization of proven elements," overly scrupulous "foresight," fear of consequences, i.e. the most complete dogmatic conservatism appears as supporting reforms. But it is also an undisputed fact that total criticism of the system, total rejection of the foundations--in order to gain publicity--sometimes assumes the guise of reforms.

I believe that this--among other things--is the reason that our reform debates turn out to be confused, complicated, obscure and misleading. This situation is favorable to the development of mutual prejudices, the political labeling of authors, (instead of unbiased consideration of opinions and thoughts,) the dissemination of unwritten, but rather well known prohibitive warnings and blacklists and of getting nowhere fast.

How can this situation be radically changed? Instead of "negative unambiguity" i.e. when "the political leadership determines what the reforms cannot be"--in the words of Csaba Gombar and Laszlo Lengyel--and must not encompass, the following political question should be addressed to an seriously asked of the entire political scientific public: what is to be reformed and how? A simple and bitter truth of the requirements that "We must sail," and "We must live up to our agreements" is that the question must be asked! Without constraint or limitations, depending on the citizen's and the politician's sense of responsibility in providing an answer. People must be encouraged to react without limiting their ability to reply, without exacting blind faith in the benefits of limited reforms and belief in the only salvation brought about by centralized reforms, and without any restrictions on publicity.

However, before posing the question of what requires reform and before individual and collective answers to the question--quoting Laszlo Nemeth's words again from the Gombar-Lengyel article--"we must know the country we want to reform."

One of the reasons for the uncertainties about the future is the problem we have with the realistic evaluation of our history and our unclear picture of society's present. A reform concept can depart only from the criticism of the society to be reformed. Responsible critical analysis presupposes unhampered freedom of expression and wide-ranging publicity. Of course, we must not only know what we want to change in the course of a series of reforms, but also what must not be and need not be reformed, that is what makes the system and society unique. This, I believe, must be the starting point of any responsibly formulated reform concept which purports to answer the above question.

In the state of "negative unambiguity," any attempted answer that conflicts with the list of prohibitions is suspect. It transgresses permitted limits, possibly smacks of opposition-mindedness, and is even inimical--at least in the opinion of some--and thereby creates an atmosphere unfavorable to a discussion of reforms.

What Turns Reform into Social Reform?

Reform becomes social reform partially because of what Gombar and Lengyel emphasize, namely because it outlines all-encompassing aims, equally valid for society's various spheres (economic, political, cultural, educational, public health, etc.) On the other hand, it becomes social reform because of what its basis is, and who announces and accepts it. In this connection we can speak of centralized bureaucratic reforms, which have as their subject the central political leadership (those who elaborate and accept them). I accept the fact that rationalizing central reforms can be quite effective in nearly all spheres of society, but certainly not in the political one. Reforms that strengthen the democratic exercise of power can never be effective, no matter how rational the central decisions are in the framework of which they are made if they are not made in the framework of democratic social reform movements.

Reform movements are not organized by publicly announcing their aims, but in determining and developing reform aims, scientific and political publicity did not prevail.

Reform and Fear

Is there fear of reform? Is there a connection between fear and the fate of reforms? I believe, yes. Along several lines. Partly because the major roadblock in the path of all-out reforms is the fear of citizens and the leaders.

Social reform begins with the conquering of this collective fear. Let me quote from a speech made by Boris Yeltsin, First Secretary of the Moscow Party Committee at the 27th Soviet Communist Party Congress: "If they ask why I had not mentioned the mistakes and troubles at the 26th Congress, I will answer, because I was afraid and I had little political experience."

You cannot make reforms if you are afraid. The first step in becoming a reformer is conquering fear. The fear of which R. Kapuscinski writes: "Fear is the impotent beast which dwells within us. It will not permit us to forget it. It hamstring and tortures us constantly. It needs constant nourishment, we must continually feed it. We, ourselves, make sure that it gets enough to eat. Its favorite foods are: gloomy gossip, sinister news, panicky thoughts, nightmarish notions. From among thousands of pieces of gossip, news and thoughts, we always pick the worst, that is those which are most apt to nurture our fears, just to satiate and appease the monster. We see a person who turns pale and fidgets nervously at another person's words. What happened? He is satisfying his own fears. And if we run out of food for our fears? We feverishly go and invent something. And if we cannot even invent anything anymore (which happens rarely,) we run to others, we seek something, we inquire, we listen to people and keep sampling the news until we manage to satisfy our fears once again." (R. Kapuscinski: THE SAHINSAH, published by Europa, Budapest 1985 pp 147-148).

The matter of the reform and the psychosis of fear can be coupled in the two threads of, on the one hand, the citizenry who constitute the potential and personal basis of the reforms, the ones who can be mobilized to support them, and on the other, the political leadership who are afraid of the reforms.

The political leadership's fear of making changes in a society which is ripe for reform is an objective socio-psychological factor, the consequences of which are fairly well known. Dilemmas deepen, unresolved problems multiply; the leadership pretends to be resolute, dynamic and active; there is growing nostalgia for law and order; there is a widening schism between the leaders who postpone reform and society which wants a radical change. Society and public life do not necessarily become radicalized under such circumstances. People, disappointed by unachieved reforms, turn away from public life, curiously strengthening the fitfully moving political leadership by their passivity, since they do not disturb their "circles." Members of the political leadership, also turn inward and wait with their fears aimed at one another, becoming too suspicious, searching for enemies, and making preparations for survival. That is, reform is the least of their worries.

The best antidotes to fears that get in the way of the design, acceptance and the enjoyment of social reforms are democratic publicity and a system of legal democratic institutions based on democratic order, affording security by their predictability.

Democratic Reforms and Political Culture

The democratic nature of reform movements can be measured by at least two different yardsticks: on the one hand, by the democratic content of their aims, and on the other by the democratic character of the organization and direction of the reform movement. Indispensable in both cases is a knowledge of the workings of democratic institutions and the aptitude for making them work, tolerance for an acceptance of democratic order and discipline, acknowledgement of its compulsory nature, with the kind of moral and sublime attitude with which Voltaire demanded freedom of speech for his adversary: "I do not agree with a single word of what he says, but I will defend his right to say it to the death."

The lesson that along with the development of democratic institutions, we must acquire the skills to make them function is ours to learn. Who must learn and acquire democratic political culture? Who must be forced to learn the skills and aptitudes needed for the democratic organization and management of power? So far the answer has always been that the citizenry must be taught and prepared for making democratic institutions function properly. This is true, but it is only half the truth. The other half says that the institutions and organizations of power and the politicians and managers in charge of them must equally be taught, and if need be coerced, to abide by democratic rules and responsibilities.

If an authoritarian, ambitious and ruthless leader or an anti-democratically functioning institution, leadership or organization assumes the guise of democracy, then people will not turn their backs on democracy, will lose their faith not in democracy, but in that organization or institution whose "representatives" are guilty of the pretense. That is why I consider it of fundamental importance that in the course of socialist democracy's emergence and development, in the framework of democratic "self-cleansing," the organizations first rid themselves of these anti-democratic personal burdens. It is not the person, only his power that needs to be sacrificed. Without it, the people would not believe that what the political leadership really wants are democratic reforms.

The Reformer

Perhaps the most difficult and contradictory of all political roles open to discussion is that of the reformer, whether a leading politician or an ordinary citizen. Revolutionaries in a non-revolutionary situation are considered dreamers, quarrelsome, Johnny-come-lately political deviates, while in a revolutionary situation they become heroes, historic personalities and eternal examples. After victorious revolutions some of the revolutionaries become victims, some become dictators and only a very few of the destroyers become great builders, purposeful reformers. Autocratic power acquired by force may, by great self-restraint, devotion, and circumspect progress metamorphose into constructive reform. In order for a revolution to continue

in the form of a series of democratic reforms, a democratically organized reform movement is needed.

The ranks of politicians who stabilize the system, slowly build it and make it progress, who almost never bask in glory, but whose power is strong and unimpeachable is more numerous. Few reformers turn into democratic leaders and few reformers are recognized by their contemporaries. Instead, they get recognition from history.

The role of the reformer is the most complex of historical-political roles. In revolutionary times, he is considered conservative. At times when a [political] system is being stabilized he is thought of as quarrelsome, suspicious, unpleasantly over-audacious. Moreover, he is judged in one way by the political leadership and in another by those who demand radical changes. The political reformer is rarely popular in his own time. He is usually recognized by posterity. In addition the reformer's role can change even within the same historical context, and the leading figures of reform (or their potential leaders) the spiritual fathers and the practical executors almost always become embroiled in bitter internecine struggles. Later, history remembers them all as a "team." (It may suffice, to refer to the first great [Hungarian] reform generation, Szechenyi, Kossuth, Batthyany, Jozsef Eotvos, Ferenc Deak, Szalay and their debates and connections, not to mention the leaders and the fate of the so-called second and third reform generations.) Leaving the sphere of abstract generalizations and reverting to our present situation, we do not have to alter the statement that here and now, the role of the reformer is the most controversial political one. Even if we speak about the assumption of continued economic reforms and changes that result in modernization on the part of the political leadership and its members in the other spheres.

The division of political leadership from the point of view of reforms is obvious to everyone--even to those who deny it--but what is unclear are the bases, contents and depth of political/ideological lines of force and division. The historical outlines of a kind of wave pattern, change of individuals and features in the political leadership are discernible after 1957. The upper class in the consolidation period [1957-1963], the circle of leaders who prepared and enforced the economic management reforms of 1968, the "leaders of '72," [responsible for halting the 1968 reforms], the circle of individuals in the trade union leadership, the "leaders of '78," the new personalities in leadership in the 80's, etc are all known. None of them was ever referred to as an opponent of reform or as imagining different reforms, but on the other hand, none of them was considered to be in favor of more radical reforms than the others either. Generations of our political leaders and a succession of our leading politicians cannot easily be identified and judged individually, only as outwardly homogeneous members of a leadership class who happen to be in charge. Then why do we have changes and what causes them? Is there possibly a latent political division nevertheless, concerning specifically the necessity and the contents of reforms? Uncertainties and unanswered questions continue to make the reformers' role difficult, but just as difficult is the role of those who reject the reforms or want different ones.

The more perceptive, politically aware classes of society consider some leaders as definitely anti-reformist, and think of others as true reformers. And just exactly what they see themselves as, and how they categorize their colleagues in the leadership is something we hardly know anything about, not even from evaluations or interviews after the fact.

Reform leaders who strive to avoid crisis and who are bent on stabilizing the system while changes are being introduced are considered by one part of society as conservative, and as innovative by another. They are considered by one part of the political leadership to be too radical, quasi-unreliable, while the other considers them men of the future, innovators capable of preventing crises. Equally full of contradictions is the way we judge the political middle strata, which participates in the political decision-making in one way or another, and which consists of organization colleagues and committee experts. Most of them consider themselves partisans of the reforms, "heroes of dual-commitment," who are supporters of reforms in the office and in the various positions of power, but at the same time effective proponents of non-reform-oriented organizations or institutions. And some, judging from the outside, consider them either client- and salon-reformers, system-stabilizing and rationalizing bureaucrats, or they are branded by others as naive dreamers and idealists.

Members of [party] organization and apparatus groups who want no serious institutional reforms whatever can barely tolerate even reformers who are merely their professional contacts, whom they view as fans of the "other side", and they sometimes "re-fashion" their careers.

Under such circumstances the smoothest path, the most attractive, the one of least resistance is the attitude of system and institution-conservation and abiding by the rules. Another possible and unambiguous basic stance is expressed by opposition-mindedness totally critical and rejecting the system. The most difficult thing is to choose between these two extremes, and to ethically carry out an adopted reform stance.

The success of the reforms would be greatly improved if the assumption of a reformer position could be made easier, with the guarantee of rights and institutional political safeguards for both the political leadership and the citizen.

It could begin with a question calling for responsible collective discussion, from an appropriate place and in an appropriate manner. What, why and how should reforms be ordered and what kinds of reforms are needed in our country, reforms without limitation on the answers in advance, of the scientific and political publicity, ones that are bound only by democratic rules and the responsibilities of freedom of expression, ones that involve a joint search for replies.

12759/9312
CSO: 2500/486

BERECZ SPEAKS ON THIRTIETH ANNIVERSARY OF KADAR REGIME

Budapest MAGYAR NEMZET in Hungarian 5 Nov 86 p 1

[MTI Report on MSZMP CC Secretary Janos Berecz commemorative speech on the founding of the Revolutionary Worker-Peasant Government [RWPG of WPG] in Szolnok: "National Consensus: a Result of Appropriate Policies, Social Activities and of the Upswing"]

[Text] It was 30 years ago today, on November 4, 1956 that Radio Kossuth, then broadcasting from Szolnok announced the establishment of the Hungarian RWPG and its calls to action.

The County Council of Szolnok held a ceremonial session on the anniversary's occasion. Among those presiding were Antal Apro, a founding member of the RWPG, Deputy President of the Council of Ministers Lajos Czinege, Gyula Kallay, President of the National Council of the PPF, Erno Lakatos, Division Director of the MSZMP CC, and State Secretary Lajos Papp, head of the Counsellor's Office of the Council of Ministers. Invited guests included the county's legislative delegation to the National Assembly, the leaders of local party-, state-, and mass-organizations, [and] seasoned warriors of the workers movement. Following the National Anthem, Otto Mohacsi, President of the Szolnok County Council greeted the guests. He recalled the events of 30 years ago, the fact that Szolnok was the place where the revolutionary forces of the Hungarian People's Republic announced their counter-attack, their fight for the victory of a socialist Hungary. He then yielded to Janos Berecz, Secretary of the MSZMP CC.

Saluting The Heroes and Martyrs

On behalf of the MSZMP CC, the Presidential Council of the Hungarian People's Republic and of the government Berecz conveyed greetings to those present, and through them to all workers of Hungary who build socialism. He then continued:

Today we pay tribute. It is a historic fact that three decades ago, on November 4, 1956, here, in the city of Szolnok the Hungarian RWPG announced its program. We respectfully hail those who 30 years ago bravely stood up in the interest of progress, armed themselves in the interest of protecting the

socialist system and contributed with actions to evolution and consolidation. We appreciate and recall with gratitude the memory of those Hungarian patriots and Soviet internationalist fighters who 30 years ago shed their blood and gave their lives in the interest of the future of the Hungarian people's rule and of socialism.

We salute the heroes and the martyrs, but we also provide a clear view for future generations when we repeatedly declare our position with respect to the events of 30 years ago and others that have taken place since. The path we took proves that the efforts and sacrifices of the followers of socialism were not in vain. We have corrected past mistakes and we have learned from them. We have renewed ourselves while preserving our values within the brotherhood of socialist nations. Following our own path we are working so that Hungary may flourish, for the well-being of our nation and for the growth of the people.

The events of 1956 and the process that led to these events must not be judged differently today than they were in late 1956. It is to the credit of a December, 1956 determination made by the Provisional CC of the MSZMP, and a position adopted in June, 1957 by the national Party conference that the events [of 1956] had been defined with lasting validity, and that the causes of "counter-revolution" had been revealed. The marxist analysis of these events withstood the test of time. Reflecting upon that marxist analysis from a historical perspective we find no reason to dispute its truth. To this date, our Party consistently believes that considering its social content and political goals, the totality of events--the armed insurrection and the supportive ideology and organizational work--was "counter-revolutionary" in character. Its basic purpose was to topple the workers' rule, to change the social conditions of ownership and to forcefully remove Hungary from the system of socialist federation. The realization of these plans would have turned Hungary in the midsts of Europe into a source of constant conflict, a focal point in the Cold War.

It Was Not A Mass Movement

At the same time, "counter-revolution" was our nation's tragedy also. The sons of many families died, some as heroes, defending the people's rule, and others, whose death did not make sense, because they were misguided representatives of an ill-conceived cause. Tens of thousands of Hungarians dispersed throughout the world, losing their native home. Among them there were many who would have deserved a better life. Ruins that had to be cleared away and economic decline that was hard to remedy were the legacy of October, 1956. And its most tragic aspect is that it was unnecessary. Renewal was not a result of the "counter-revolution." It was a result of a recognition of errors, a process that had begun earlier. It was not the demands of the "counter-revolutionaries" that materialized in the period beginning in 1957, but rather the [introduction of a] policy that adequately served the interests of the working people. And it is equally tragic that some well-intended efforts opened the door, yielded a sphere to totally retrograde, anti-socialist intents.

The "counter-revolution" was not the work of the masses. The great masses of Hungary, including those of the County of Szolnok, were shocked and remained

in the background to continue their work. They completed their tasks for the autumn, for example, because they knew that the nation must [continue to] live. And yet, we may reaffirm our unequivocal view that a decisive majority of those who did get involved was not "counter-revolutionary" at all. They were not anti-socialist. To the contrary: the majority rose in the interest of Hungary's socialist future.

A segment of those involved had been permanently fooled and misguided by the slogans of the revisionist group. We do not question the intentions of these people, nevertheless [we can say that] they did not recognize, or had difficulty in recognizing treason, and that some continued [their struggle] against the revolutionary forces even after November 4. Their conduct caused conceptual disturbance and political damage.

Accordingly, it is absolutely necessary that we always distinguish between forces that consciously participated in the "counter-revolution" and thus became traitors, and others who were used, fooled or misguided. This distinction has been made by the MSZMP ever since November 4, 1956.

In the then prevailing situation, barely 10 years following liberation, the domestic remnants of the toppled ruling classes found it timely and appropriate to reappear. Their incitement was aimed at toppling socialism, first in a veiled fashion, later with increasing openness. International imperialism lent its armed support to these endeavours, complete with political promises and encouragement. This [kind of activity] contributed to the fact that in many places, both in Budapest and in the countryside, White Terror raised its head. Freed from under house arrest, in his memorable radio address Jozsef Mindszenty left no doubt with respect to the real aims of the "counter-revolution." He had buried the "fallen system" already and demanded restoration of the earlier system based on property.

The armed "counter-revolution" had gained ground due to a single decisive factor: the Party became numb because of widespread power struggles within its ranks. Political leadership had fallen apart, the Party was disorganized, and so was that state and its armed forces. The clique led by Rakosi and Gero had failed completely, both in a political and a moral sense. As it turned out, the group headed by Imre Nagy took power, then retreated step by step from the "counter-revolution," then formed an alliance with it, thus committing overt treason. This continues to be the historic truth--an unforgivable sin even today.

The increasing menace of restoration posed a grave threat to the international standing of socialism. It became a historic duty for revolutionary, patriotic-internationalist, marxist-leninist forces to break with the revisionist groups that became attached to the "counter-revolutionary" forces.

There Did Exist Some Truly Revolutionary Forces

Socialist counter-attack became a question of life or death. From the viewpoint of Hungary's future, however, it did make a difference which forces would lead the counter-attack. [Should] those who had represented the Party and socialism before [lead the counter-attack?] There could have evolved a

dogmatic offensive that would have made consolidation more difficult. For Hungary, and for our nation engaged in the building of socialism it was vital that to have some truly revolutionary forces--lead by Comrade Janos Kadar. These forces agreed to break with the sins and mistakes of the past, as well as with revisionist treason, and to accept at the same time the idea of socialist continuity and renewal. The break occurred on the first of November and became a reality when the Hungarian RWPG unfurled its banner right here, on November 4, 1956. By then, Kadar and his comrades in arm were staying in Szolnok--they were a part of the policy-making revolutionary headquarters--and directed political and military actions aimed at the defeat of the "counter-revolutionary" armed insurrection. They worked out of the county building as well as out of the barracks on Red Army Avenue. In the afternoon of November 4 Comrade Kadar met with the leaders of Communists in the Szolnok area, thus desmonstrating publicly the appearence and presence of revolutionary forces.

The historic significance of the revolutionary center can be seen in the fact that it drew a clear distinction between revolution and "counter-revolution." It helped find the right path, and guided those who on their own will and conviction expressed concern about the achievements of socialism, protected the interests of socialism and stood up against [past] mistakes and actions that were contrary to law. The revolutionary forces became responsible for a historic mission and fulfilled a national and international duty when they openly and unequivocally refuted the faulty policies of the Hungarian Workers' Pary [MDP], while simultaneously they decisively turned against the collaborating "counter-revolutionary" and revisionist forces. The revolutionary forces declared the philosophical view of the Party and of the WPG: both would fight on both fronts, both consider the defense of the people's rule and of socialist achievements, and the restoration of legitimate order within the People's Republic as their primary task. They declared continued socialist construction on healthy grounds, and the strengthening of socialist positions within the community of socialist nations as their objective.

Socialism: Only Through Cooperation

As history taught us, national cooperation is a pre-requisite to socialist construction. Socialist society is being built for every decent and patriotic citizen and requires the participation of each citizen. It is for this reason that as decent Hungarians, we had to make peace in our ranks and had to learn to understand each other. One of the most precious values this nation has manifested in the course of its 30 year development is that out of division there emerged a unified nation. Thirty years ago we were ridden by conflicts of interest, disturbed in our conscience, wading in a tempest of emotions, suffering from inflicted injuries. But the weak-hearted began to burry our nation too soon. The Party, Hungarian Communists once again showed strength to face reality and to learn from past experience. In realizing new policies, they provided leadership to the workers. Appropriate policies, social activities and an upswing may be credited with the unprecedented national consensus, a socialist understanding in our nation's recent history. National cooperation became a reality and is being strengthened by virtue of the acceptance of societal goals, the joint search for paths to achieve these

goals, the continual clarification of divergent viewpoints, and joint efforts. It is this unity that we cherish most in every step of development.

Comrade Kadar has spoken to this issue before the National Assembly during the Fall of 1980. "In Hungary the age of major class struggles has come to an end ... we have polarized that struggle only on occasions when we were forced to do so. At present there is no social factor that would prompt us to polarize the struggle, there is no need for us to 'harden' our policies, the Party has no intent to do so ... accordingly, we have no reason for, or intent to polarize things, and we trust that such polarization will not occur. But at the same time I would also like to state that an old Hungarian saying applies to those who attack our fundamental achievements: 'we respond in kind.' In other words, while we are not seeking conflict, if necessary, we will not shrink from conflict, because we will permit no one to injure the achievements for which the entire nation has worked and suffered."

Power has never been self-serving, in our perception. The workers' movement has achieved much without having power, but its historic mission to accomplish the socialist transformation of society is predicated upon having power. Socialist construction is a conscious and organized activity of society. The marxist-leninist party has a decisive role in it: the strength of the people's power is defined by the maturity of the party and its ability to provide leadership. The distortion of policies that had its beginning in 1949, and prompted political leadership crisis already during the summer of 1953--realistically threatening the survival of worker's power three years later--proved the Party's maturity and its ability to provide leadership in the negative.

Developing principles of stabilization and choosing necessary means thus became a practical issue, even though the issue in whom power should reside assumed ideological dimensions. It became obvious that victory over the beaten forces of armed resurrection would become permanent only if the entire [nation], the masses of people can be convinced of the truth of the MSZMP and of the RWPG, of the propriety of their program, and only by turning decent people against the "counter-revolution."

In the framework of its policies, our Party builds upon these costly experiences. The realizations of the last 30 years continuously contribute to our practice, of course. If justified, we are prepared to make deliberate, timely corrections, including in opinions and decisions that proved themselves to be valid in the past, but in reality had become obsolete.

The experience of the past three decades has proved that the people are in firm control only if power is built upon developmental practice and leadership. We have learned however, and we are reckoning with the fact that development is not an even, continuous upward process. Progress is being realized through the continual resolution of objective contradictions.

Recognizing Future Values of the Hungarian Nation

Our political system is not exclusive, but the Party has been and remains its most important element. The Party's policies and activities are based on

conceptual and practical unity. It is in this way that the Party defines the evolution of the fate of socialist democracy. In these days too, the Party's leadership role is indispensable, even the the form and outward expression of this role is changing. Under [present] conditions, when socialist democracy is in the process of gaining strength, the Party's guiding role is manifested primarily through the patient molding of opinion, through suasion, and through willingness to debate, thus reconstituting the social consensus through debate.

It is today that our Party must envision the tasks of the approaching turn of the century--the future interests of the Hungarian nation. By unifying progressive forces, the Party must provide courageous leadership with initiative. This is the most important condition of social stability, and the fundamental factor that assures people's rule and socialist development. Whatever proves to be ineffective in our Party's work must be changed on a timely basis. On the other hand, we must deliberately and convincingly reject criticism that relies upon some attractive notion, but in reality endeavours to stop progress. Alternatively, using continued reform as a pretext, such criticism could endeavour to change our society so as to put an end to the definitive role of the marxist-leninist party, and to weaken socialist means of governance and thereby the power of the state. This kind of experimentation is at the center of today's ideological battles, debates and political experimentations.

There may be, there are trying periods in the process of our socio-economic development. History suggests that whether we can prevail over our difficulties depends on the strength of the Party and on the effectiveness of its work. We have paid too high a price for this lesson so as not to permit us to disregard that lesson. The Party has a program today. That program had been defined at the Party's 13th Congress and in the purposes of the seventh 5-year plan. But in these days workers expect more concrete action plans. Indeed, they should. The CC endeavours progress that can be readily perceived. It endeavours to achieve such progress through the realization of agreed-upon goals, in due consideration of existing circumstances, through everyone's cooperation. To accomplish this we need more deliberate, more effective work at all Party levels.

Lessons Learned Do Not Become Obsolete

Lessons learned from the origins of the "counter-revolutionary" crisis, from the political struggle that led out of the crisis, and from the protection and renewal of socialism do not become obsolete. As in the past, in the future too we will have to clearly recognize that the MSZMP's ability to break with past policies that lethally endangered the cause of socialism, together with its capability to defend the values derived from people's creative work, has been the most important factor in resolving a tragic situation and in bringing about subsequent evolution. The Party accepted continuity as well as solidarity with the main trends of the workers' movement, while it managed to work out appropriate ways and means for renewal. The renewal produced significant, internationally recognized accomplishments in our nation's life.

We do not feel that in the course of development we will no longer have to face critical situations, instead we believe that it is our duty to resolve

critical situations on a timely basis, while continuously renewing socialist national unity. This we must do by taking to heart some past lessons. Those who 30 years ago took part in the struggle defending and renewing socialism, fought for the present renewal also. Succeeding generations have this heritage to manage their affairs by.

Following the Council's session a wreath was placed at the marble placque in the lobby of the building. The placque commemorates the formation of the RWPG. Following the sounds of the Second Hungarian National Anthem, Janos Berecz and Karoly Majoros layed wreaths on behalf of the MSZMP CC and of the Szolnok County Committee. Majoros is the First Secretary of the Party's County Committee. Lajos Czinege and Lajos Papp layed a wreath on behalf of the Council of Ministers. Representatives of county Party and state organizations, mass organizations as well as of the armed forces brought their flowers too.

The memorial ended to the sounds of the Communist Internationale.

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CSO: 2500/77

CAN TRADITIONAL SOCIALISM INTEGRATE PRIVATE ENTERPRISE

Budapest OTLET in Hungarian 28 Aug 86 pp 36-37

[Article by Jozsef Palfy, MTA Institute of Economics: "The Integration of Individual Enterprise into Traditional Socialist Economy"]

[Text] Debate about Small Enterprises! We continue our debate series begun in June by OTLET with an article by Ferenc Koi: "Can individual enterprise be integrated into the economy of developed socialism?" We await our readers' opinions and ask that you indicate your address and mark your envelope: Small Enterprise Debate!

In my comments, I will try to come up with answers not to questions beginning with "How", but rather to questions beginning with "There is," in other words, I want to shed light on the actual relationship and points of contact as they have developed between private enterprises and the socialist sector. I intentionally avoid the use of the concept of integration. Integration represents a very high degree of division of labor, which presupposes tight and organic connection and collaboration between economic units. Considerably more than exists in the simple--purchase-sell--business connection. The basic difference between the two sectors makes me doubt that there is a chance in the foreseeable future for integration in the strictest sense of the word.

Though this debate has been going on for weeks in the columns of OTLET, so far, the most basic concepts have not been clarified, even though that would greatly help us to clarify our opinions. To begin with, we should define more clearly such concepts as entrepreneur, enterprise and entrepreneurial profit.

The concept of entrepreneur in theoretical economics was first used by the French economist, Jean Baptiste Say (1767-1832), in contrast to the function of the capitalist. A century later it was Joseph Alois Schumpeter (1883-1950), Austrian economist, who considered the entrepreneur as the starting point and principal actor in his theory of economic development. Schumpeter entrepreneur realizes new combinations of existing tools of production--labor, capital and land--i.e. innovation. He distinguishes the following five cases of innovation:

- 1) creation of a new product
- 2) introduction of a new process in production or trade
- 3) opening up of a new market for distribution
- 4) acquisition of a new supply market
- 5) creation or abandonment of a new organization.

We may consider anybody as an entrepreneur who fulfills any one of the above mentioned five cases. Based on his definition, we can distinguish the entrepreneur from the other actors on the stage of the production process: from the lender of money (capital) needed for the initiation of an enterprise (capitalist) and from the laborer working for wages. Rewards for the entrepreneur's successful activities are entrepreneurial profits, as opposed to the money lender who obtains interest, and the worker who earns wages. The three different functions require three different sources of revenue. It is possible for one person to fulfill all three functions: he invents the new combination and tries to realize it (entrepreneur), provides the start-up money (creditor) and executes, by his own labors, the production tasks. In that case he participates in all three sources of revenue.

Since every enterprise contains some novelty, its realization, by necessity, involves some risks. However, it is not the entrepreneur who is taking that risk, but the money lending capitalist or bank. The entrepreneur can risk his reputation, but he has nothing else to lose. All he needs is a good idea and the willingness to realize his plan.

Enterprise is an activity that does not depend on size. One can be an entrepreneur on a small scale or a large scale. For the time being, in our country, there is a chance only for small enterprises. At our traditional state enterprises there are still only modest degrees of an entrepreneurial tendency. Bureaucratic supervision and hierarchic dependence sometimes inhibit entrepreneurically inclined managers, who may wind up being bureaucratic executors of plans and tasks. If we consider the enterprise as a factor that is positive and successful on a small scale, then why should it not be the same on a large scale? That is why I am unable to accept Otto Purityi's statement to the effect that the Hungarian State Railroads, the electric energy industry and coal mining cannot be the entrepreneurs' territory. In his comments he writes: "Here the 'state enterprises' are capable of taking care of the tasks--under central supervision." From the point of view of the planning bureau, it is quite possible that they accomplish their tasks rather well, but I think that we, the consumers, do not necessarily agree. Economic historians consider the great railroad constructions of the last century as some of the most outstanding examples of enterprise. If that was true then, why not now? There are instances in our day, too, of railroads, power plants and mines that are not managed by the mechanisms of the state--and their accomplishments are not necessarily any worse either.

After the concept of enterprise is clarified, I believe it is not difficult to decide which of the economic units functioning under the new organizational forms since 1982, may be considered entrepreneurial, and which may not.

It is not possible to consider entrepreneurial a vgmk (enterprise workers business partnership) whose members perform the same work under a gmk (workers' business partnership) plan after hours, as they were performing previously during straight time. I agree with Adam Angyal who considers it the result of overly strict wage controls that our enterprises resort to forming vgmk's to assure themselves of the extra labor they need for production. In the latter case we may consider the enterprise itself as the entrepreneur, not the vgmk. However, we may consider entrepreneurial a vgmk which, for example, is engaged in the utilization, processing and distribution of the enterprise's waste materials, because they are introducing a new raw material into the production process.

The concessionaire of a beer hall cannot be considered an entrepreneur if he makes changes to existing conditions only quantitatively--e.g. by setting up more tables, topping off the beer mugs, etc.--or also qualitatively--e.g. by serving cold beer. Into the same category belong the mushrooming rest room concessionaires, who do not do much more than, perhaps, let those availing themselves of their services, have more toilet paper. In contrast, we may consider entrepreneurial the concessionaire of a beer hall who improves on what his beer hall has to offer by new products and services--e.g. new special dishes, home-brewed beer, entertainment, etc.--or is bent on building up a new clientele.

One of the most ticklish aspects of the subject at hand and one that public opinion is most keenly aware of is the profitability of individual and group enterprises. Too much or too little? In my opinion, if the entrepreneur is successful in mounting his enterprise, to which he himself supplies the start-up capital plus his own labor involving production or services. then we need not be surprised that his earnings are high. Because in this case his total revenue derives from three sources: as a result of his successful enterprise he is entitled to entrepreneurial profit, he can charge interest on the capital he advanced--OTP (National Savings Bank) interest rates are not applicable, since they are often lower than the last few years' rate of inflation--and he gets wages for his labors, in connection with which the low wages of the socialist sector cannot be used as a basis for comparison. By entrepreneurial profit we understand the difference between the income of the enterprise and the expenses of the entrepreneur and thus, theoretically, there is no limit to its extent. The more original and the more novel the idea the entrepreneur comes up with (and which he was able to prove by marketing his product or service), the more entrepreneurial profit he is (or should be) entitled to. This only assures the success of the enterprise.

In the Hungarian economy, due to frequent monopoly situations, absence of competition and because of shortages in the market, those engaged in new forms of business organization can easily earn large incomes by being neither entrepreneurs, nor investors of capital, nor active workers in their own business. Excellent examples of such a situation are some of the large volume restaurants leased to concessionaires and the above mentioned rest room

"entrepreneurs." Indignation on the part of the general public, in view of excessive incomes thus earned is, I believe, justified.

In his article, setting the stage for this discussion series, Ferenc Koi tries to find an answer to the question: "Can individual enterprise be integrated into the economy of developed socialism?" I, myself, would refer to find out how the small entrepreneurial sector can relate, in our day and age, to the socialist economy. I must preface this by mentioning that my opinions will probably be too biased and it is also possible that there are some things I do not evaluate correctly. I do not base my opinions on knowledge gained by means of research or technical literature, but simply on every-day experiences gained as a member of a gmk and as a "consumer" of the products and services of small enterprises. My informants, besides, are my friends and acquaintances engaged in one or another kind of small enterprise.

The primary area where small enterprises and the socialist economy become enmeshed is the "under-the-table" baksheesh system. Nearly everybody who gets into personal contact with small enterprises must "pay under the table," whether he is the representative of an authorizing and managing agency, or of a state purchasing and commissioning enterprise. Small gifts given in order to expedite matters or to gain the good will of the customer (principal) are, of course, not tantamount to corruption. That is quite in keeping with European commercial practice and even with our domestic legal provisions.

Not, however, cash "gifts" of the order of tens of thousands of forints. Based on my own experiences, I can distinguish the following main under-the-table payment situations.

"Greasing" the palms of bosses at the place of work. This is an important prerequisite for the survival of the vgmk's. In the early days, the enterprise bosses did not join vgmk's because that would have been incompatible with their sphere of activity. A paradoxical situation arose, inasmuch as those enterprise bosses who had done their best to have their workers form vgmk's because there was no other way to get the workers properly compensated for their overtime work, all of a sudden realized that their workers were making out a lot better than they did. Administrative control vgmk's rests with enterprise management, and this caused a permanent stalemate situation. The solution, as it turned out, was that those bosses who were not in top echelon positions in the enterprise hierarchy, either joined the existing vgmk or formed a new one. Those for whom this proved unfeasible, were able to obtain redress via kickbacks.

Bribing the principal. This happens most frequently in the case of gmk's and special cooperatives engaged in providing services, where a representative of a state enterprise or cooperative is the principal. Let us suppose that a manager in mid-management at enterprise X--who happens to be in charge of building maintenance--is visited one day by the head of a cooperative specializing in office cleaning and window washing, offering their services, e.g. to clean the windows of the plant. His first impulse might be to take the "entrepreneur," who is indifferently toying with the ignition key of his metallic silver Mini Morris, and throw him out through the window, since nobody has ever thought of having those windows washed while there were millions of other jobs waiting. But his next thought will be, if there is

something in it for him, too, then why not. If it comes down to it, this will not cost the enterprise a great deal, while he is badly in need of a few thousand-forint notes in order to pay for a new gear-shift for his ten year old Trabant. And to our "entrepreneur" it is also worth a few thousand if, in exchange, he can get a cleaning job. Our example might demonstrate the absurdity of the situation. On one side, the underpaid employee who is in a position to decide the fate of millions of forints, while for him, the material results of his decisions have very few, if any, beneficial consequences. With one single decision he can make others rich. It is obvious that he can become corruptible and it goes without saying that the one offering the service will find "greasing" easier than making a competitive offer. From this point on there is no cost-consciousness. The job goes to the "entrepreneur" who offers the largest bribe. And it is not the most efficient and the most flexible small enterprise who prospers, but the one who knows best when, whom and how much to bribe.

And we have, at that, not mentioned anything yet about "greasing" that expedites raw material purchases and about considerable amounts of money given to obtain fictitious invoices for the camouflaging of actual income. And invoices are needed, since bribes cannot be billed.

I do not know for whose mill I supply the grist by writing this, to the opponents of enterprises who "have been saying from the outset that this is what it would all turn into," or to those in favor of enterprises. My intention was to bring a little bit of grist to the mill of those who believe in a decent entrepreneurial system.

12759/9312
CSO: 2500/488

POLISH AMNESTY LAW PUBLISHED

Warsaw DZIENNIK USTAW in Polish No 26, 19 Jul 86 pp 385-387

["Law of 17 July 1986 on Special Procedures Governing the Disposition of the Cases of Persons Convicted of Certain Offenses"]

[Text] In view of the developing normalization of social life and in order to provide earlier release from prisons due to personal circumstances of perpetrators of certain offenses, the Sejm of the People's Republic of Poland, guided by the principles of socialist humanism, resolves the following:

Article 1. Provided there is cause to believe that perpetrators of offenses will vigorously participate in the life of our country and will not return to a life of crime, special procedures for disposition of cases envisaged by the present law can be applied to offenses against the state and public order committed before 17 July 1986.

Article 2.1. Legally valid basic and additional sentences, uncollected fines, payments and court fees are set aside entirely in cases involving offenses referred to in article 1.

2. Nonetheless, legally valid court-ordered forfeiture of possessions, demotion and reduction in military rank, punitive damages and indemnities remain in force.

3. Court proceedings in cases involving the offenses referred to in paragraph 1 are discontinued. In such cases, instruments and other objects which served or were intended to serve in committing the offense are declared forfeited, as well as objects obtained directly or indirectly from the offense, along with objects possession of which is forbidden or requires a permit.

4. Provisions of article 1 do not apply to offenses referred to in articles 122 through 124, 127, 128 in conjunction with articles 122 and 123 and articles 132, 134, 135, 220, 276 and 278 of the penal code.

Article 3. If a perpetrator who has not been charged with offenses against the state and public order before 17 July 1986 reports volutarily to an organ in charge of criminal prosecution before 31 December 1986 and gives an affidavit that he will cease criminal activities as well as reveal the kind of

offense, the time and place it was committed, court proceedings are not initiated, and those initiated are discontinued.

2. Provisions of paragraph 1 apply to the perpetrator of offenses referred to in articles 122 through 124, 127 and 128 of the penal code, provided that he also reveals all essential circumstances of the offense committed and surrenders instruments and other objects referred to in article 2 paragraph 3.

3. In case the perpetrator is staying abroad, the actions referred to in paragraphs 1 and 2 should take place at a Polish diplomatic mission or consulate. In this case, the pertinent prosecutor resolves to apply the law.

Article 4. In special justified cases the Supreme Court may, at the request of the prosecutor general of the People's Republic of Poland, discontinue proceedings in cases involving offenses committed prior to 17 July 1986 and referred to in articles 122 through 124, 127, 128 in conjunction with articles 122 and 123 and in articles 132, 220, 276 and 278 of the penal code, as well as other offenses, and set aside in a legally valid manner the court sentence for such an offense.

Article 5.1. In cases involving offenses other than those referred to in article 1 and fiscal offenses committed prior to 17 July 1986:

1) legally valid sentences of imprisonment for less than 1 year - are set aside entirely,

2) legally valid sentences of imprisonment for between 1 and 2 years - are reduced in half,

3) legally valid fines, additional penalties and punitive damages, as well as court-ordered costs, fees and damages remain in force.

2. In cases involving offenses referred to in paragraph 1, proceedings are discontinued if it follows from the circumstances of the case that only imprisonment, which would be set aside, should be the sentence. In other cases, the term of imprisonment referred to in paragraph 1 is set aside or reduced by the court in the sentence.

3. When a lawsuit brought for an offense by a private person is discontinued, the prorated equivalent of court costs paid by the private plaintiff is returned to him.

Article 6. In cases involving offenses other than those referred to in article 1 and fiscal offenses committed prior to 17 June 1986, the court may, at the request of the prosecutor, apply a conditional pardon without meeting the requirements set forth in article 91, paragraphs 1 and 2 of the penal code, provided the perpetrator:

1) as of the day the law takes effect is a female older than 50 years of age or a male older than 60 years of age,

- 2) takes or should take care by himself of a child younger than 16 years of age, which is compulsory for parents,
- 3) was under 21 years of age at the time the offense was committed,
- 4) committed the offense without premeditation.

Article 7. Provisions of articles 5 and 6 do not apply to offenses, including fiscal:

- 1) committed under the conditions referred to in article 60 of the penal code or article 24 of the law on fiscal penalties of 26 October 1971 (DZIENNIK USTAW 1984, No 22, item 103 and 1985, No 23, item 100),
- 2) committed under the influence of alcohol,
- 3) qualifying as disorderly behavior,
- 4) committed by perpetrators leading a parasitic way of life, who were not working or studying at the time of the offense, procuring support in contravention of the law or principles of social coexistence,
- 5) having the character of a crime,
- 6) referred to in:
 - a) article 168, paragraph 1 of the penal code,
 - b) articles 3 through 5, article 6 paragraph 1, articles 7 and 8 of the law of 22 April 1959 on combatting the illegal production of alcohol (DZIENNIK USTAW, No 27, item 169 and 1985, No 23, item 101 and No 25, item 111),
 - c) article 43, paragraphs 1 and 2 and article 44 of the law of 26 October 1982 on public temperance and counteracting alcoholism (DZIENNIK USTAW, No 35, item 230 and 1984, No 34, item 184),
 - d) article 27, paragraph 2, article 29, paragraphs 1 and 3, article 32, paragraph 1 of the law of 31 January 1985 on the prevention of drug addiction (DZIENNIK USTAW, No 4, item 15 and No 15, item 66),
 - e) article 9 of the law of 10 May 1985 on specific penal proceedings (DZIENNIK USTAW, No 23, item 101 and No 25, item 111).

Article 8.1. If a perpetrator of an offense to which the present law was applied commits another similar premeditated offense before 31 December 1987, the sentence for which is imprisonment, then the ruling on the application of the present law is set aside. In such a case, court proceedings are initiated again, the terms set aside or reduced are to be served entirely or in part, as appropriate, and the conditional pardon is cancelled.

2. The organ applying the law is obligated to instruct the person to whom the law has been applied about the content of paragraph 1.

Article 9.1. In cases involving misdemeanors, including fiscal, committed prior to 17 July 1986, the legally valid penalties of arrest, imprisonment and substitutes for arrest are set aside.

2. In cases referred to in paragraph 1 which have not ended in a legally valid ruling, proceedings are discontinued if it follows from the circumstances of the case that the sentence would be only a penalty which should be set aside.

Article 10.1. In case of a combination of offenses, the law applies to the ones which it covers.

2. In applying the law, the total penalty is adjudicated along the regular guidelines as appropriate.

Article 11.1. Provisions of the present law apply to terms already reduced by an amnesty or pardon, the reduced term being the base.

2. If the amnesty or pardon has reduced only the total penalty, it is considered that the penalties for individual offenses in the combination have been reduced to the amount of reduced total penalty.

Article 12.1. The present law is applied by the court having jurisdiction in a given case.

2. The court rules on setting aside penalties or discontinuing proceedings in court pursuant to article 2 at the request of the prosecutor.

3. The law is applied by the prosecutor in preliminary proceedings; nonetheless, the court rules at the request of the prosecutor on the forfeiture of objects referred to in article 2, paragraph 3.

4. In cases involving offenses referred to in article 1, the court or the prosecutor can make the application of the law contingent on the perpetrator making a declaration in writing that he will not return to a life of crime.

5. In cases involving fiscal offenses and misdemeanors, including fiscal, the law is applied by the organ having jurisdiction in this matter.

6. With regard to persons serving time due to imprisonment or arrest, if there is no need to adjudicate a total penalty, the law is applied by the provincial court in whose jurisdiction the person sentenced is serving time, and within the jurisdiction of military courts - by a military court; the court composed of one judge rules in session.

Article 13.1. Rulings on applying the law are made in the form of resolutions, except if applied in the sentence; in cases considered in court sessions, the ruling on discontinuing the proceedings, setting aside or reducing the term is made in the sentence.

2. The ruling on refusal to apply the present law can be appealed; the ruling to apply the law can only be appealed by the prosecutor. Complaints in the cases referred to in article 12, paragraph 6 are reviewed by a proper provincial or military court composed of three judges.

Article 14.1. The organ having jurisdiction in a case in which a sentence is set aside or reduced pursuant to the present law rules in instances referred to in article 8; if the proceedings are discontinued, the organ which has done so rules; the proper penitentiary court rules on cancelling a conditional pardon applied pursuant to article 6.

2. The court rules in session even if the law is applied in the sentence.

3. The resolution may be appealed.

Article 15. Proceedings in matters covered by the law are carried out pursuant to the regulations in effect for proceedings before the organ which carries them out, unless provisions of the present law govern otherwise.

Article 16. Imprisoned persons are to be set free no later than 15 September 1986.

Article 17. Appropriate ministers and the prosecutor general of the People's Republic of Poland can issue instructions needed to execute the law.

Article 18. The law takes effect on 23 July 1986.

Chairman of the Council of State: W. Jaruzelski
Secretary of the Council of State: Z. Surowiec

9761
CSO: 2600/77

RAKOWSKI VIEWS PARTY APATHY, URGES DECISIVE ACTION

Warsaw POLITYKA in Polish No 41, 11 Oct 86 p 3

[Article by Mieczyslaw F. Rakowski, PZPR CC member, vice-marshal of the Sejm, Sejm deputy-at-large: "Against a Philosophy of Resignation"; passages in slantlines printed in boldface]

[Text] When I was taking part in one of provincial PZPR reports-and-elections conferences, I saw fit to share with the delegates my observations concerning the reality which we create and witness. Primarily, these observations concern the PZPR, with which I have been associated for decades, for better or worse. It is obvious that this was not the reason prompting me to take the floor, but rather an awareness that both the present and the future development of the socialist system in Poland depends primarily on the degree to which the PZPR, a Marxist - Leninist party, is and will be in position, ideologically, politically and organizationally to shoulder the heavy burden imposed on it by the extremely complicated contemporary situation. The above-mentioned speech is the basis for the text which I am presenting to the readers of POLITYKA.

While reviewing the development of the past and present socio-economic situation in Poland and envisioning the immense number of problems we must come to grips with, whether we like it or not, we must constantly ask ourselves about the degree to which we already are a fighting party capable of overcoming many difficult situations through the the power of its intellect and knowledge of the laws governing social development. The reference is to difficult situations because there are not, nor will there be easy ones in this world. To my mind, this question, as well as several others, is not unjustified unless the knowledge of the experience which befell us, especially in 1981, has withered away from our memory.

Are We a Fighting Party?

We should constantly respond to the question of whether / we as a party already are capable of genuine offensive actions / rather than ones for show, whether we are dynamic and, if I may say so, "believing" enough to be an example for the millions of our fellow countrymen who are not party members. I should add, and this should be remembered at all times, that our every step is closely watched by millions of non-party members; our every move, gesture

and word are commented upon. Moreover, everything we do gets recorded in the national memory, which has a very long life. Also, we should not forget that

Polish society of the late 1980s has sharpened senses of hearing and sight. This is one of the characteristic features of the period we are going through.

Behind us are very difficult years. In 1981 and through the years of the martial law we waged an uncompromising battle with an authentic enemy, dangerous and determined to make a fist at us literally rather than figuratively. In talking about the enemy, I certainly do not mean Solidarity as a movement several million strong, but those functionaries and rank-and-file members of it who decided then that a time had come to declare war on socialism. We may say that those were years when we had a crash course on how to fight a political battle hand-to-hand, without covering up the irritating matters, views and attitudes in cocoons of unnecessary words, without mincing words and rotten compromises. In order to keep to the facts, which is necessary, we should recall that far from the entire party took an active part in this struggle. That part of the party participated which realized an urgent need to defend the achievements of socialism in the interest of the working people against its enemies, demagogues of every description. It also deserves a mention, that in those extremely difficult years, the burden of struggle with the enemies of socialism was not distributed equally. There were times when most of the burden was shouldered by the law enforcement forces, comrades from the Security Service, militia and the People's Armed Forces of Poland. If anyone cares to underestimate this truth or, worse yet, forget it, he would get himself a poor grade on veracity and good moral character.

Though this is already in the past, I believe that we should talk about it straightforwardly, without mincing matters, and not only about the objectives of our enemies, but also about our shortcomings and weaknesses which came to light at the time. The purpose is not to stir them up and to recollect them, but to find how to control our lot in order to root out the causes which brought about defensive and, on occasion, defeatist attitudes. While we are on the subject of the past, let us make one more observation. We rightly recall, and, after all, we do not do it every day, that in December 1981 we were capable of making a dramatic decision which put an end to Poland plunging towards the abyss, despite all our weaknesses. This is a truth of historic proportions. However, the point is that peoples do not live by great historic truths but by what daily events deliver. Great historic truths are for politicians and historians.

Why We Are Inconsistent

We are nearing the end of 1986. Behind us is the 10th PZPR Congress, we already have a program explicitly setting the goals which we want to - and must - achieve. As far as the course of the congress is concerned, numerous topical items in the press contained mostly positive evaluations, and rightly so, because this was a very important congress in the history of our party. One of the reasons is the profoundly different political situation compared to that at the time of the 9th PZPR Congress. However, I cannot but state that press items on the congress do not completely satisfy me. I believe that they

lacked critical reflection; after all, no social phenomena and events have only one image. For example, I consider it to be a weakness of the congress discussion that, despite one speaker in two raising the issue of why our actions are inconsistent, none of those taking the floor, myself included, attempted to answer / why we are inconsistent./ This, after all, is a particularly important topic. A search for the sources of our inconsistency would necessarily lead us into the sphere of national traditions, social psychology, human attitudes and postures, our own shortcomings and many other issues. Let me cite one more example. Almost every speaker referring to the national economy deplored the economic reform stopping halfway through, not being implemented etc. However, in this instance as well, a more profound approach, a search for the reasons responsible for this condition, not necessarily within the sphere of economics, was lacking.

I am not making a statement in the matter in order to provoke excited comments. I am after something completely different. I believe that our party has come to the stage in its historic development when we must be sincere until it hurts in a self-critical evaluation of our own actions. This is one of the most important ways to gain the support of broad masses. I would add to the statement, that millions of non-party fellow countrymen are closely watching our every step, that this watchfulness follows from two objective reasons. The first one results from the fact that several dramatic ruptures in the development of People's Poland have come about primarily through our fault (we have admitted it ourselves), and some among them ended in bloodshed. Therefore, is it surprising that our people, whom we have come from and are bound with by thousands of bonds, whom we love - let us not be afraid of such words - keeps an eye on us? The second reason results from the increased general and professional education of Poles. A higher educational level of citizens is inseparably linked with an increase in social criticism. This is a historical regularity. It is fit to recall that it was none other than us, the radical Polish left, who initiated the profound educational and cultural revolution which has embraced the two basic classes, breadwinners for the entire nation, disenfranchised in the capitalist period of Poland, the workers and the peasants.

If we want to find out to what degree we already are a fighting party, than it is certain that one of the traits of such a party is / the ability of its members to review critically their own activities / and review them without resorting to generalities but reaching into the depth of human psychology, into the rich sphere of spiritual life, without lapsing into references to the so-called objective difficulties.

Excuse of Objective Difficulties

I wonder if /we are in danger of making references to the already mentioned objective difficulties our permanent philosophy of life!/ I believe that this danger is still present. When I listen to certain presentations in one forum or another, when I read various reports, I begin to irresistibly suspect that essentially propaganda of impotence has taken the place of success propaganda. There is a shortage of everything, so we are helpless. It is known what is in short supply - hard currency, raw materials, semi-finished goods etc. However, in this instance we are not talking about difficulties with raw

materials, but about, I am afraid, a certain, already deeply rooted attitude which ultimately becomes the justification for doing nothing and tolerating social and economic phenomena the removal of which requires neither raw materials nor further capital investment.

When one reads reports about truly incredible thoughtlessness of many managers entitled to make decisions, about wasting human energy, about orders which are an insult to common sense and so on, his hair stands on end. A question of whether we somehow are bewitched by the so-called objective difficulties is in order. As party members, we should ask ourselves every day the unsettling question of whether we really are the guiding force [of society] individually rather than collectively in eliminating the causes of negative and troubling phenomena and their disastrous consequences. It is easy to talk about the guiding force in general, whereas it is much more difficult with regard to your own guiding role in your own community.

Staying for another moment on the issue of abundant philosophy of impotence, I would like to stress one more aspect of it, which is dangerous in my opinion. Tolerating this philosophy leads practically to nothing else but subscribing to the statement that civilizational decay of People's Poland is unavoidable. I am an opponent of this gloomy thesis. Our country is rich. We have large-scale industry, and knowing the world some, I will not be revealing any great truth by stating that capitalists would squeeze much more out of it than we do. We are a country rich in raw materials, though we should use them sparingly. Most importantly, we have a tremendous number of gifted people, hundreds of thousands of the so-called jacks-of-all-trades, people with ideas worthy of wider use. Indeed, we are capable of more than that. If we succumb to the philosophy of impotence, as I am afraid we often do, then it may be worthwhile to discuss in the party whether by chance we ourselves are not experiencing some kind of a psychological breakdown with dangerous consequences. I am of the opinion that ideological activities of the party should be based, among other things, on asking ourselves such questions and looking for an answer. Ultimately, everyone of us examines himself, looking not only into a mirror but also into his soul.

Indifferent Posture

Continuing my search for an answer to the question on the degree to which we can say about ourselves that we are a fighting party, I would like to share one more observation or, call it what you like, an unsettling question.

In analyzing the socio-political situation in our country, we cannot omit an enumeration of views and attitudes existing in our society which are most characteristic of the present period. The opinion is spreading far and wide that / the attitude of indifference towards public matters / has become a very important political category. Numerous publications state that people are withdrawing into privacy, are reluctant to get involved in public activities, shut out the outside world, in a word, live from day to day. I am very far from generalizing this posture and the place it occupies in the national psyche. Yet, closely watching everything that daily events turn up, I am inclined to agree with the opinion that the above-mentioned indifference is

indeed a social phenomenon of alarming proportions. It has become a political category.

It is understandable that if we went to the trouble of finding the causes for this indifference, we would certainly find them, and some of them could be acknowledged as justified. We should not forget, that in the first years of this decade, our nation survived shocks equal to a strong earthquake. Many a Pole, based on his own experience and the observation of what was going on around him, developed a survival strategy assuming an indifferent attitude towards our slogans, appeals and even stated objectives which, after all, concern the fate of the nation rather than the party's comfort. We would even find rational justifications for the above-mentioned indifference, but it does not change the unpleasant truth that a perpetuation of this kind of attitude is fraught with a protracted absence of a meaningful segment of society from implementation of the socio-economic policy of the Polish socialist state. After all, presence in implementing this policy does not boil down only to tensing muscles or even having grey cells work. Presence in the implementation of this policy requires emotional involvement and exertion beyond the accepted norms of work correctly done. Without emotional involvement in some issue, one is but a proper individual in whatever community.

I believe that in our activity as party members we must ask ourselves several questions and look for answers. First of all, / are we as a PZPR community completely immune to the above illness./ By reading many reports from meetings, conferences etc. one can get the impression that the activities of many party organizations are commendable. I am not saying that there are no such organizations. It is known, however, that there are still quite a few silent party members and hibernating party organizations. Everyone of us knows also of party members who silently and indifferently pass over the biggest nonsense spread by the enemies of socialism and our party. I believe that we also should consider whether we see clearly enough the social and national harm done by indifferent attitudes and whether we are aggressive enough in combatting this evil.

In presenting what lies close to my heart, I am not resorting to the well-known popular practice of talking first about achievements and then, against this background, about concerns, difficulties and shortcomings. I do not think that this practice deserves to be discarded, but I do believe that from time we can abandon it in order to see more clearly facts and phenomena which are a drag on us to a degree. Certainly, this approach to reality has got nothing to do with negating what the party has done to bring the country out of profound political crisis and to restore to Poland its due place in the family of socialist countries.

Restructuring Must Work Out .

As is known, CPSU Secretary General Mikhail Gorbachev took an unambiguously positive view of the political line adopted by our party in his speech at the 10th PZPR Congress. This statement was not made just to be nice. The party received the words of the Soviet leader with great satisfaction, because they were an expression of confidence the CPSU has in the PZPR and its

leadership. Also, the entire world press has commented on the speech by Mikhail Gorbachev.

The Soviet leader met with outstanding cordiality during his visit in Poland. This is understandable, because not only party members but also millions of non-party member citizens see in him a leader of the Soviet Union who courageously attacks everything that has already outlived its time, that hampers the development of the mighty material and spiritual base which the Soviet Union possesses now. Intelligent and reasonable people in Poland, of whom there are quite a few, see in him a bold innovator and a man who combats existing evil with determination and uncompromisingly. His public presentations appeal to human imaginativeness. Two weeks ago, TRYBUNA LUDU published a speech Mikhail Gorbachev made in Krasnodar. As I perceive it, this is one of those political presentations that leave a permanent mark on social awareness.

It follows from the Krasnodar speech of the CPSU general secretary that /restructuring of thinking and actions, or the struggle of the new and the old, which has outlived its time, which hampers the development of productive forces and full utilization of knowledge, intellect and dynamics inherent in people, not only constitutes the essence of changes underway in the Soviet Union/ but that the implementation of the program adopted by the 27th CPSU Congress meets with resistance coming from different quarters. Not everybody has duly gotten to the bottom of what restructuring is all about, said Mikhail Gorbachev. Some, he said, ask why "we are talking about restructuring all the time", others try to wait out the period which is difficult for them by talking about the need for restructuring. Gorbachev went on to say: "Time has shown that there also are quite a few people who understand well what restructuring is all about. However, these people do not accept it, knowing what its consequences are going to be. It is ... not to their liking. We know these people. They are exactly the ones who would like to give as little as possible to society and to get from it as much as possible. There are such people among workers, farmers and managerial personnel, government officials; there are such people among our intelligentsia. Also, many of them are capable of adjusting quickly to changing circumstances. These are gifted, even resourceful people. Their main concern is to preserve old, outdated arrangements and to protect their privileges. Now we see them talking about restructuring from every lectern, and louder than everyone else, though they are actually slowing this process down... The working people see it all and will give everyone his due, to some now, to others - a little later."

Noting the existing obstacles, impediments and barriers, the leader of the CPSU stated: "To those who are still staying on the sidelines of restructuring, who are waiting and thinking: let us see if anything comes out of it, I would like to say that something certainly will." However, he said that "the genuine turnaround which is needed for achieving the strategic objectives set by the 27th Congress of the party is still far away." Mikhail Gorbachev, waging a vigorous struggle against those who would like to change nothing, envisaged "going further with a radical restructuring of the system of managing the national economy", in creating conditions "for our citizens to feel themselves the masters of the country", because restructuring means "democratization of society, of all spheres of life." He added that it is

becoming apparent that innovators, the restless and the undaunted are having the most difficult time. One would like to say: where have we already learned it? The speaker said openly that "in solving problems in our country, we still have a preference for administrative fiat, commands and orders."

And, in summation, the final accent: "We must give up the old approach...which has spread in the party quite quickly when one thing was said and another was actually done by party and economic functionaries and secretaries of party organizations... At the meetings as well, people should bring up the issues which are discussed in the street, at home or with close friends."

The experience we have acquired counsels far-reaching caution in using so-called lofty words, which is not to say that we should not resort to them at all. So, I would like to express the following view. Analyzing the content of the program adopted by the 27th CPSU Congress as well as the speeches by Mikhail Gorbachev and other key leaders of the CPSU and information brought daily by the Soviet mass media, I have come to the conclusion that we are witnessing the opening of a new chapter in the history of socialism to date, holding great promise.

Are we merely witnesses? Certainly not. We have been taking part in the process of modernizing the socio-economic structures of socialism for a long time. We are no marauders in these matters. However, there is a need for the results of this participation to grow more meaningful and perceptible from day to day. There is a need for our activities to be courageous and innovative, to yield results which also eliminate the mood of mistrust and pessimism, to contain and root out the philosophy of indifference, to pull the rug from underneath the sworn enemies of socialism. We can do it.

9761

CSO:2600/104

TEACHERS POLLED ON ROLE IN ATTITUDE, POLITICAL DEVELOPMENT

Warsaw PRZEGLAD TYGODNIOWY in Polish No 34, 24 Aug 86 p 3

[Article by Andrzej W. Malachowski: "What Is Lacking in School?"]

[Text] We are facing a general moral crisis which is manifested through increasingly dangerous antisocial behavior. Has this crisis also spread to upbringing? How do teachers, i. e. the vocational group which is associated with upbringing almost in the line of duty, view this problem? As a survey by the CBOS [Public Opinion Research Main Center] suggests (1), over one-half of the educators (64 percent) believe that such a crisis has already occurred. Teachers find reasons for it both in the shortcomings of the educational system and in the critical social and economic situation in the country.

Teachers are inclined to fault primarily the family for the crisis in upbringing (69.4 percent of those surveyed believe so), the mass media (55 percent), whereas they fault the school quite less frequently (41 percent), as well as youth organizations (36 percent) and the church (24 percent). One in three teachers agreed with the statement that his own professional group is also responsible for this crisis. In other words, a majority of educators are aware of the dangerous symptoms throughout the system of upbringing, yet do not feel responsible for them developing. They believe that, after all, they are not co-creators of this system, and have a very limited opportunity to improve on it. They are merely the ones carrying out the tasks imposed on them.

A majority of teachers are aware that the school does not carry out its tasks fully and devotes too little time to the matters of upbringing. However, as follows from the responses by teachers, this situation results primarily from external factors, over which the teachers have no or little control. Hence, among other things, there is a feeling that their work is not appreciated enough by the society, and frustration apparent in the responses of many educators surveyed. The flight from the function of upbringing is caused by the difficulties of daily life, overloaded curricula, an excess of duties etc. The model of tutor, social activist, promoter of culture and education is becoming unpopular in the community of educators. Likewise, they are reluctant to assume the obligation to shape the political attitudes of young people; they stop being politically active in general. Teachers most eagerly

and frequently restrict their tasks to the matters of instruction, i.e. teaching their own subject.

At the same time, teachers are aware that the school is a tremendous influence on the upbringing of young people, despite all its shortcomings. In the opinion of those surveyed, it is the most important element of the entire process of upbringing along with the family group. There is broad agreement as to the school meeting a certain minimum of upbringing through developing such traits as love of and attachment to the motherland, culture and politeness, dependability in work and learning, and respect for parents and teachers.

On the other hand, the educators note less actual participation by the school in inculcating honesty and sincerity, social involvement and the courage to speak your mind. To the mind of a majority of those surveyed (92 percent of respondents), parents and family (82 percent) and peers (74 percent) have been the greatest influence on the political attitudes of young people in recent years. Half of those surveyed referred to the influence of school in the matter, whereas the other half pointed out the influence of the church.

Teachers with a long experience in the profession and those teaching elementary school give the best grades to the role of school in molding the attitude and behavior of students. On the other hand, technical and vocational school teachers have more reservations about the operation of schools. Teachers working in high and technical schools point most often to the participation of political opposition and illegal sources of information in molding the political attitudes of young people. Teachers of socio-political subjects also note that more often.

To the mind of teachers, the school which is to discharge responsibilities in upbringing and instruction cannot be managed from the outside. A teacher should be a co-author of the curriculum, and his role cannot be reduced solely to following the recommendations of the curriculum and observing the principles of instruction. A majority of teachers agree with the statement that the school must bring up citizens loyal to the state, but at the same time renounce the duty to follow unreservedly the guidelines set by state and educational authorities.

In the opinion of educators, the school should reward the ability of its charges to think independently. However, opinions on how this goal can be achieved are divided. Some believe that partnership arrangements, based on self-government and calling for a change in the current methods of upbringing, should be given preference. Others come out in favor of reinforced discipline and requirements, as well as rigorously exacting a minimum of basic knowledge.

These two requests are extreme. A majority of teachers indicate the need to change the entire operation of the school system; at the same time, they are in favor of preserving most elements of the current educational system. To be sure, they come out in favor of the concept of a self-governing and independent school, but primarily for themselves rather than for the students.

Expanding the upbringing function of the school is most often proposed by teachers of vocational schools and disciplines and seldom by the young and science teachers. Teachers of general high schools and of socio-political disciplines support the concept of partnership and an autonomous school. Most often, it is teachers of grade school and those with long tenure who are the supporters of an autocratic model of school, if not the rod and detention.

Teachers are quite critical of themselves, admitting (61.5 percent of responses) that they see a permanent decline in the quality of work, and deteriorating professionalism. Yet, the reasons for this state of affairs are seen as external to the community of educators.

The poor remuneration system and low wages in general are the main cause. In the opinion of teachers, these are the reasons why additional sources of income are sought and the involvement of teachers in their basic instruction and upbringing work declines. Besides, the remuneration system promotes selection of the weakest into the profession, employment of unsuitable individuals, shortage of cadres, feminization of the profession, and in general brings about a decline in the social prestige of a teacher.

Insufficient funding for schools and resulting difficult working conditions are yet another trouble for teachers. A majority of teachers (62 percent of those surveyed) believe that radical improvement in education can only be effected by a considerable wage increase and the creation of strong material infrastructure for the entire educational system.

A majority of teachers (as many as 80 percent of those polled) recognize that an array of negative phenomena occur within their community. About 40 percent note excessive sensitivity to criticism and lack of critical attitude towards shortcomings in one's own work; about 30 percent accuse their own community of a lack of desire to improve their skills. This accusation is confirmed by another section of the CBOS survey. Almost one-half of those surveyed (45.4 percent) stated that they do not intend to study further, and another 27 percent sort of dodged the question, stating "difficult to say." Teachers (close to one-fifth of those surveyed) accuse themselves of lacking the knowledge of the methodology, negative attitudes towards all innovations, and generally poor skills. This picture was supplemented by the accusation of low socio-political activity of the entire community, coming from 43 percent of those polled.

What should a teacher be in the opinion of teachers themselves? First of all, he should be a person of high personal culture, responsive to the concerns of other people, and critically-minded in evaluating his own work. Impeccable moral posture, worldview tolerance, and high level of knowledge were also indicated, though not quite as often. About 75 percent of those polled also mentioned a calling for the profession, about one-half indicated loyalty to state authorities and upbringing of the young people in the spirit of such loyalty; 47 percent were of the opinion that a teacher should have a college degree, 33 percent - that he should be involved in volunteer work, and 9 percent - in political work. Thirteen percent believe that a teacher should subscribe to a materialistic worldview, whereas 20 percent say that he should live a secular lifestyle and refrain from manifesting his religious attitude.

With regard to the professional responsibilities of a teacher, 14 percent of those surveyed indicated a need for self-improvement and an impeccable moral posture, 7 percent mentioned the molding of social and moral attitudes of young people (sensitivity to people being wronged, attitude towards work and social property), 2.5 percent saw a need for the teacher to shape ideological and political attitudes of the students and 5 percent believed that a teacher should help the young people in difficult situations. A yet smaller percentage of those polled added organizing the spare time of the students, care of youth organization, and social involvement to the responsibilities of the teacher.

As may be seen from the above, teachers themselves prefer a model of the instructor who primarily imparts knowledge but does no upbringing.

What kind of young people are the educators working with? A majority of teachers (61 percent of those polled) can say an equal amount of good and bad things about them. Almost one-third ascribed to them more virtues than vices, and 5.5 percent - more vices than virtues.

The following were among the most frequently mentioned virtues of contemporary young people: aptitude, intellect, inquisitive disposition (53 percent of indications), independent and critical thinking (33 percent), kindness, unselfishness, sensitivity to the concerns of others (31.5 percent), enterprise and resourcefulness (26.1 percent), patriotism (8.1 percent), courage to speak one's mind (7.8 percent), solidarity, loyalty to friends (6 percent).

Among the vices, the following were mentioned: consumerist lifestyle (51 percent), lack of self-reliance and inability to overcome difficulties (34.7 percent), disappearance of aspirations and purpose (22 percent), lack of social and political involvement, lack of ideology and insensitivity (21.6 percent), poor upbringing - lack of culture, chooliganism, vandalsim (16.8 percent) egosim (15.6 percent), antisocial behavior (15.6 percent), lack of respect for tradition and authority (6.6 percent).

Also, a considerable segment of educators are inclined to believe that young people are habitual smokers, drink and partake in a sexually free lifestyle a lot. On the other hand, a small percentage (5.6 percent) believe that a majority, or a considerable share of young people, may be affected by drug addiction.

Teachers are aware of the phenomenon of young people drifting further away from the world of adults, with its entire system of values and authority, and restricting themselves to a circle of their own subculture. The tendency observed by the teachers appears understandable after a more careful perusal of the entire CBOS report. After all, teachers themselves tend to renounce their responsibilities in upbringing. This brings about the formation of a gap; also, the partnership model, which appears to be indispensable in the entire process of upbringing, fizzles.

Maybe, this is exactly what the entire Polish educational system is beginning to run short on, whereas, to be sure, low wages which the educators complain about, work overload, and poor material infrastructure of education are the primary cause of the crisis of upbringing, but be that as it may, not the only reason for it. Sometimes, putting a little bit of your heart in it suffices, but this can neither be bought nor sold.

Footnotes

1) One thousand and forty-five teachers responded to the CBOS questionnaire, of which 480 were from elementary schools, 218 - from general high schools, 273 - from basic vocational schools, and 465 - from technical and vocational schools. Almost 13 percent of those polled belong to the second generation of intelligenzia, 84.5 percent have college degrees, but merely a half of them from teacher's colleges. Women constitute a majority (62.6 percent). The average age of those polled is 39 years, average tenure in teaching - 15 years.

Almost one-half of the teachers polled identified themselves as believers and practicing (including 26.1 percent of the PZPR members), a further 31.5 percent are believers, but do not practice (in this group, party members accounted for 36.8 percent), 16.1 percent - non-believers who do not practice and 2.4 percent - non-believers, but church-goers.

9761
CSO:2600/104

NEW POLITICAL EDUCATION YEAR URGES MORE DEDICATION

Warsaw TRYBUNA LUDU in Polish 29 Sep 86 p 2

[Article by Alicja Zagorska: "Without 'Silent' Meetings"; passages in slantlines printed in boldface]

[Text] /There may not be a single POP [basic party organization], which would regard political education as being of peripheral significance. There will not be "silent" educational meetings, which fail and are restricted to the report. These are the basic determinants which will guide the Lomza lecturers and instructors of party education in their work. On 27 September, they met at a solemn inauguration./

Political education work, aimed primarily at familiarizing the entire party, the aktiv of [other] political parties and non-party members with the documents of the 10th PZPR Congress, calls for qualitative changes. At issue is a detailed and profound discussion of these topics and their creative implementation. There can be no good operation in the party and in the economy without a solid knowledge of the documents of the congress and a creative approach to them - stressed Henryk Bednarski, PZPR CC secretary, taking part in the Lomza inauguration of political education.

Apart from the already proven forms of educational work, schools of rural aktiv, training farmers, employees of agricultural service units and aktiv of rural social organizations will acquire special importance under the conditions of Lomza.

After the meeting adjourned, H. Bednarski met the functionaries of the Lomza Wagi association and the "Stopka" Social Press Study Society. Social activists belonging to these groups rally the populace of the province around matters of culture and sponsor many activities.

A new year of party education has also been inaugurated in the Suwalki provincial party organization.

9761

CSO: 260/104

QUALITY OF WORK, ATTITUDES EVALUATED

Warsaw ZYCIE WARSZAWY in Polish 20-21 Sep 86 p 3

[Article by Artur Bodnar: "National Work"]

[Text] I borrowed the title of the article from the outstanding Polish Catholic philosopher Father Professor Jozef Tischner, who said in the spring of this year: "There is a beautiful notion of national work in the Polish tradition. This is the area of work which cannot be done badly, the work of farmer, teacher, doctor. There is a certain substance of work which must function without disruption under any circumstances, because disruptions put at risk the national substance...".(Footnote 1) (GWIAZDY MORZA No 10, 1986) It would be desirable if the work of every Pole had, to a degree, the features of national work. Therefore, what stands in the way of work being work, as A. Zieba put it in PRZEGLAD TYGODNIOWY, 1986, No 35? Let us look at some of the data which the above-mentioned writer has used. These are the results of a survey carried out in five large enterprises by the Institute of Labor and Social Affairs in late 1984.

For 95 percent of the workers, work is a means to earn a living and, therefore, a result of economic coercion with regard to everyone and the family he is responsible for supporting. At the same time, for one-half of those surveyed, work is a means of affirming "one's own worth", "a moral commandment" and "a duty to society." Thus, a high share of them recognize work to be a moral and social value. However, many do not believe so. A lack of harmony in the relationship within the team and with the supervisors, and unjust evaluations and distribution of work load are the reasons for that. The issue of wages, important as it is, turns out to be secondary. Let us think about it - several million workers feel more or less frustrated and pretty much alienated because of bad arrangements at work, bad organization, supply shortages or bad bosses. If there were an enterprise psychologist, he would certainly suggest transferring the latter to other positions.

Therefore, we could state that "it is in details that the devil abides", though the root causes are to be found in broader phenomena, to which we will return in a moment. Some would suggest that these manifestations of dissatisfaction at work are also due to high skills (education) and a low average age of the workers. Youth prompts us to make sharper evaluations, to cast an impatient glance at professional and social affairs. In any event,

even partial frustration brings about disintegration and aggression, e.g. in the form of refusing to participate in social life, that is to say, has consequences in political life.

Despite all the shortcomings of everyday life, deep down almost everyone carries the reflex of daily work, routine and order. This reflex is the centerpiece in creating civic society. If the routine and order are stable and real, then the society has an easier time absorbing the necessary changes which improve its condition. I believe that Polish civic society carries on its inner cohesion on the basis of elementary cultural norms issuing from both the Christian and the folk ethics, not to mention class. The fabric of this cohesion consists of two compartments, the biological and the work-related. At the elementary level, the former comprises the family, at the macro level - the people or, in other words, civic society. At the same time, this society exists through the internal division of labor.

The division of labor which takes place in our country is already highly technical; after all, we are an industrial society. This division is frequently rearranged, entangled in a web of administrative regulations. In general, it is difficult to separate the sources of division of labor originating in technical roles from the sources originating in administrative regulations adopted by the state and its institutions. As a result, social relations are not easily discernible and full of mutually aggravated contradictions. After all, the criteria established by the progress of technology and organization differ from the ones to which the state and its agencies adhere. The state must take into account social and welfare interests, and it has done so due to various considerations despite the technical and organizational feasibility as expressed synthetically by economic feasibility.

As a result, work has not always held the place in our life we wanted it to. It follows from the massive demands of workers and low-level management that the time has come to vigorously put these matters in order. The principle of economic coercion, the organizational reform and comprehensive performance evaluations must serve this purpose. The enterprise must be a commercial rather than a socio-economic unit as has been the case thus far.

A majority of managers taking part in the above-mentioned survey require their employees to be disciplined, prompt and responsive to orders. These answers were given in late 1984, that is to say in a time of still considerable loosening of labor attitudes and discipline. However, only 20 percent of the managers said that they require their employees to be dependable, precise and have good skills. Worse yet, only more than 2 percent of managers saw the need for resourcefulness and self-reliance among their subordinates. Is the situation now, 2 years later, different? Perhaps, it is somewhat better, because the economic reform has been imposing its requirements, but not by much, considering that innovations by employees are still one-third less numerous than in the late 1970s.

At the same time, self-reliance and resourcefulness are inseparable components of the notion of national work. They assume work under difficult conditions without disruptions. Meanwhile, workers are demanding work with a minimum of

disruptions. Such work can only be sustained by good management cadres and an efficient system of supply links resulting from the division of labor inside the enterprise and with the cooperating contractors. It follows from this that management at all levels must work without disruptions under all circumstances, led by the notion of good for the nation. At the same time, reducing these disruptions to a minimum hinges on the wisdom of management positioned at different levels of the state and the economy.

How are the above requirements to be met? The 10th PZRR Congress has charted a program of actions. Also, numerous specialists from a circle of the authorities and from outside this circle have taken the floor. The request to speed up the economic and organizational reform is the common thread running through all these statements. Certainly, this should begin from the top in order to make the intent credible and give impetus to these reforms.

I would say that in keeping with the idea of national work, order should be strengthened in basic elements of our economy. So what if we increase the output of final products given the fact that many basic subassemblies delivered by subcontractors are junky? This is the case with microprocessors for washing machines. We can say the same about combine grain harvesters. There are many examples of that. It is estimated that annual costs of operating machinery, equipment and transportation vehicles throughout the economy amount to 800 billion zlotys, out of which 200 billion zlotys are unjustified costs. Thus, if only... Exactly! By increasing the reliability of this pool of equipment, we could allocate the above-mentioned 200 billion zlotys for investment in modernization. Its share in total investment is plummeting because technically the government has no funds.

They are saying that there should be coercion to export. There can be no good export of manufactured goods without the necessary reasonable imports. These matters evade [the influence of] the economic reform due in part to the hard currency shortage and in part to bureaucratic growth of recent origin. It was recently reported in the press that a Danish company is prepared to print a telephone directory of the capital city of Warsaw provided waste paper is delivered. Three ministries have to make a decision for the transaction to be consummated. Despite protracted and voluminous official scribbling, no decision has been made yet.

Here is one more example. A trustworthy person told me that recently an evaluation of management cadres in units supervised by one of the ministries was carried out. Results of the evaluation were positive for everybody involved. Common sense would suggest that this evaluation be done over.

In summation, we may state that life will push the proponents of the second stage of economic reform and organizational reform, as well as evaluations, onto a rough road of struggle against outdated attitudes of a segment of management cadres, primarily middle-level. The reason for demands of workers and the accomodating intent of the politicians failing to meet should perhaps be sought in the poor psychosocial condition and the conservatism of intermediate structures of the economy and the state. They are not translated into decisions in line with these demands and this intent. It may be that these structures lack the appreciation for the idea of social reforms which would allow them to look beyond their special interests. Maybe, the idea of national work would suffice, but how are its seeds to be sown?

UNION ROLE, ISSUES CONSIDERED PRIOR TO OPZZ CONFERENCE

Warsaw ZYCIE WARSZAWY in Polish 17 Sep 86 p 3

[Article by Daniela Sielska: "Impatience and Apprehension"]

[Text] An answer to the question about attitudes and topics prevailing in the discussion among trade unionists is hardly optimistic. Many of these discussions are currently underway in conjunction with the 2nd Convention of trade unions scheduled for November of this year. Impatience and apprehension are manifested most often at the meetings. Impatience is caused by slow progress in overcoming economic difficulties and restoring equilibrium in the economy, which, after all, is a negative influence on our living conditions. The apprehension is about the future. Asked whether we can expect an improvement in the conditions of life and a higher standard of living, many respond pessimistically based on the observations of life, and especially on comparing the prices-to-wages ratios. Moreover, nobody is convinced by the data about the influx of money into the market not accompanied by increases in production and productivity of labor. The following question is often asked in this context: where has this influx come from, when a majority of working people have average wages which do not provide for any luxury and barely for making ends meet?

What is the trade union movement to do in this situation? What social priorities must it establish and how is it to fight for them in order to meet the expectations of the working people? There are more dilemmas than this. For example, skillful navigation among the existing economic realities is needed, so that on the one hand, unrealistic demands are not formulated, while on the other hand, achievable objectives are not forgone. Exactly the opposite, these objectives should be promoted in such a way that they are not subordinated to the equally important needs of production and economy. Finally, there is no way to ignore the economy and production, because the level of meeting our needs depends on their condition. Thus, some say, trade unions should participate vigorously in pursuing economic objectives. Others, however, add that the forms of this participation should be given some thought, because old inefficient blueprints cannot be used again. Also, there are functionaries who spread the view that only the protective function of the trade unions need be implemented, negating the opportunity for and the need to take action in the sphere of production.

However, life often forces a compromise regardless of personal convictions and accepted theories. Thus, it happens that the proponents of controlling and compensation-oriented functions of trade unions prepare reports on improving the organization of work in the enterprise or improving its economic performance. They also have suggestions concerning the establishment of healthier social and economic relations in our country. This is one more example proving the impossibility of clinging to passive attitudes over a longer period of time, as well as a proof of the still resurging conviction that human effort cannot be in vain, that, after all, something can be changed, and therefore, one must act.

"I am a proponent of aggressive actions" - said OPZZ [Trade Unions; founded 1984] chairman Alfred Miodowicz at a meeting at the M. Kasprzak Electronics Enterprise in Warsaw, and the audience in the hall agreed with that opinion. However, in a moment the question comes back: what will the purpose of these actions be?

How Much Is Work Worth?

First of all, say the workers, and the trade unions carry on, the appropriate status of honest work should be restored. This, however, cannot be reduced to a propaganda slogan. Work is primarily an economic notion, so it must be compensated according to the effort, skill and results. As one of the speakers at the meeting of Wola trade unionists said, the wage systems which have been worked on for so long and so vigorously should be understandable for the working people, but they are not. Therefore, the unions must figure out fast why there is no real progress as far as the mode of remuneration is concerned, why there is no linkage between work and wages. Current remuneration systems in enterprises are responsible for a lot of bad blood and confusion. We can cite examples to support it. Let us take, for example, the issue of sick leave and bonuses. In different enterprises, the arrangements in this matter are not always logical.

The theoretical minimum wage of 5,400 zlotys, on which components of remuneration such as, to mention one, seniority bonuses depend, is especially irritating. It does not tie anybody to the enterprise because it comes up to an almost symbolic amount. This minimum wage is also an obstacle to accumulating the social and housing funds of the workforce. Simply put, contributions per employee at present are ridiculously low and make the functioning of social benefits impossible. Meanwhile, the workforce counts on the aid of the enterprise because many families cannot, for example, make a vacation trip without a preferential price or subsidy.

At the same time, the quotas contributed to benefit retirees are worse than ridiculous. One of the speakers at the discussion at the Kasprzak plant calculated that it comes up to 135 zlotys a year. Meanwhile, retirees and annuitants ask for a subsidy for coal, rent or simply for financial aid. Some of them receive just a little bit over 7,000 zlotys a month. This is why a considerable segment of the social fund in many enterprises is earmarked for aid to retirees, and trade union organizations also add to that grants-in-aid from union dues. Thus, our social policy strives to extend social protection

to people of insufficient means and reduce the zone of poverty. Let us use completely different but clear-cut criteria in our wage policy.

Strictly speaking, how much should a skilled worker make? Perhaps, said the speakers, not as much as he does now when a skilled lathe operator or metal worker makes 18,000 zlotys a month. Since he cannot support his family on that, he works overtime or in the recently fashionable commercial teams. Both have been subjected to criticism. Overtime results from the poor organization of work, whereas the fact that the workforces are showing interest in overtime testifies to the poor remuneration system. The worker should utilize the 8-hour workday, produce a lot and get a commensurate compensation. Overtime, while resulting in tangible benefits to employees damages the economy as well as health. The same is true of commercial teams. There are employees who rest in the morning in order to make more in the afternoon. Therefore, this is not a good way out of the crisis.

This stern view was supported by Alfred Miodowicz. He recalled that the content of the August [1980] accords is still in effect. In these agreements, the workers have spoken against extending worktime, among other things. This can take place only under special circumstances. This is why the trade unions will come out against overtime. This practice, which on top of everything is not economically justified, should not be allowed anymore. Among other things, this is the reason why the discussions on the content of the labor code, which needs amendments, and on collective contracts are going on. These two acts will ensure the protection of wages and employee rights. The trade unionists believe that collective contracts and enterprise agreements should set forth in a precise manner how much the work of a metal worker or another skilled worker is worth.

All Our Daily Affairs

Participants in the Wola meeting agreed that the direction of trade union activities is undoubtedly correct. However, this is no consolation because the results are not there. After all, the workforces are mainly after results. So, why has the mixed union-government commission discussed the contracts for 2 years and no results have been achieved? To be sure, it is good to know that the trade unionists have gallantly stood up to the government negotiators, that they represent the interests of the working people by preventing the introduction of overly drastic provisions. However, when will the result of these actions come and how many years is the discussion of the new labor code supposed to last? We cannot take years to discuss successive versions of this or that law. Life goes on, and it is not an easy life. It is known that supplying the market, organization of trade, poor operation of mass transit, defects in houses and the housing shortage are aggravating. What next? What can the unions do in the nearest future?

"We raise all of these issues wherever we can - says Alfred Miodowicz - We do have access to various centers of decision-making. Therefore, it is easier to prevent an unfavorable decision being made than later to have it withdrawn. Wherever we are, we remember that we represent the working people. They will evaluate our activity and its outcome."

This is why the 2nd OPZZ Convention not only has to devise a more precise program of actions, objectives of the movement and forms of work, but also to bring about a consolidation of forces. A lot of the latter are needed because there are a lot of unsolved problems. Answer to various difficult questions are also lacking. Thus, it is certain that for a while yet, the working people at enterprise debates will impatiently demand an improvement and their apprehensions concerning the future will not go away soon. These worries are familiar to the trade unionists too.

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CSO:2600/81

OPZZ PREPARES PROGRAM DRAFT FOR NATIONAL CONVENTION

Warsaw TRYBUNA LUDU in Polish 25 Sep 86 p 4

[Article by (Teg): "Trade Unionists Put Finishing Touches on Draft Statute and Program"; passages in slantlines printed in boldface]

[Text] /A lot more work will have to be done on preparing the 2nd OPZZ [Trade Unions; founded 1984] Convention before about 1,500 trade union delegates come to Warsaw for the convention in late November. Both the organizational side and the agenda require work, because there is still no dearth of remarks and suggestions for the current, already amended versions of the draft program and statute. Further remarks and suggestions were made yesterday at the OPZZ Executive Board meeting, which was devoted almost entirely to this important event in the life of trade unions./

Despite the basic stage of consultations on the draft union documents being considered closed, discussion on the pertinent wording is still in progress. This gives rise to various opinions and reservations. Along with, for example, reservations concerning the overly general statements in the draft program, its comprehensive nature and departure from particular special interests are receiving a positive evaluation.

The current draft program not only emphasizes the most important tasks facing the OPZZ in the next term, but also lays out in detail the actions which result from the primary responsibility of trade unions - defending and representing the interests of the working people. It also refers in numerous instances to the resolution of the 10th PZRR Congress on socio-economic development of the country.

"With this in view - states the draft document - we will use the means at the disposal of trade unions for actions on improving the efficiency of production, better utilization of worktime, more efficient organization, technical progress and technological development." However, the trade unionists reserve the right to express different views on certain problems and the way of solving them. For example, they come out against the tendency to equalize wages, and opt for the concept of rewarding well those who are hard-working and creative.

Individual provisions in the amended draft statute of the OPZZ are still causing vigorous debate. As Anatol Wasiljew said yesterday at the meeting of the Executive Board, the intent of the changes introduced is to ensure preference for competence, discipline and efficiency in trade union activities.

This does not change the fact that, among other things, a great number of diverging views and doubts are caused by the issues of terms of office, combining elected trade union offices, placing provincial representation of trade unions within the structure of the movement and so on. These and other issues will be reviewed at the next meeting of OPZZ council scheduled for 9 October.

The basic schedule of the 2nd OPZZ Convention is already known. It will meet between 26 and 30 November. Along with a plenary discussion in the Hall of Congresses, discussions in working groups at the industrial enterprises of Warsaw are also scheduled.

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CSO:2600/81

LARGER READERSHIP FOR SOVIET PRESS NOTED

Koszalin GLOS POMORZA in Polish 8 Sep 86 p 8

[Article by (lb): "Growing Readership of Soviet Press"]

[Text] The consul of the USSR in Szczecin, Boris Shardakov, visited the TPPR [Society for Polish-Soviet Friendship] chapter at the PUPiK [State Bureau for Publishing and for Circulation of Publications] in Koszalin last Friday. He informed the audience, the aktiv participating in the meeting, about the course of implementing the resolutions of the 27th Congress of CPSU. He said that the Soviet press plays an important part in this regard.

The meeting was an occasion to discuss the achievements of PUPiK in selling subscriptions to the Soviet press and disseminating publications from the Soviet Union in Koszalin province. Last year, "Ruch" units achieved the best results in this field (the Szczecinek department and its branch in Zlocieniec, the Kolobrzeg department and branches of the Bialogard department in Polczyn Zdroj and Swidwin).

The Koszalin PUPiK is one of the four out of 17 bookselling and press distribution enterprises which were distinguished for their work by a certificate issued by the Mezhdunarodnaia Kniga Publishing House. The Soviet publishing house awarded valuable gifts to the outstanding activists of the PUPiK. The TPPR chapter at the PUPiK was awarded a samovar as a prize.

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CSO:2600/81

YUGOSLAV REPORT ON ROMANIAN MILITARY POSITION IN WARSAW PACT

Zagreb DANAS in Serbo-Croatian 28 Oct 86 pp 57-58

[Article by Miroslav Lazanski: "Romanian Initiative: A Referendum on 'Insubordination'"]

[Text] Why does Romanian President Nicolae Ceausescu want a referendum on reduction of the standing Army and military expenditures? How will the allies in the Warsaw Pact react?

Romanian President Nicolae Ceausescu recently announced that the Romanian people would decide in a referendum about reducing the size of the standard Army and armament of the Romanian Armed Forces. President Ceausescu announced this during a meeting with foreign affairs ministers of the countries of the Warsaw Pact which had gathered in Bucharest following the meeting of the great powers in Reykjavik. Of course, that announcement was met with certain speculations in diplomatic circles in the Romanian capital as to how the Romanian allies would react. It might even be said that President Ceausescu's proposal surprised all observers in Bucharest, although it is well known that Romania has been reducing its military budget for several years, both according to its own assertion and in keeping with the proclaimed policy of disarmament. It is also a fact that this proposal was directed to all the allies in the Warsaw Pact, but so far not a single country in the Eastern Alliance has responded to the invitation of the Romanian president. That is, for 3 years now Bucharest has been gradually cutting back expenditures on the armed forces. At this year's summit meeting in Budapest Ceausescu called for a general 25-percent reduction of the military expenditures of all the member countries of the Warsaw Pact and for reduction in the strength of armed forces. Romania is the first country of the Warsaw Pact to include in its political program the creation of an atom-free zone in the Balkans. Bucharest has similar ideas about chemical and biological weapons, concerning which it has proposed the radical zero option.

It is true that at the meeting in Budapest Romania consented to extension of its obligations as an ally in the Warsaw Pact for another 20 years, although this spring they were talking in Bucharest about a period between 5 and 10 years. But the Romanians consented to 20 years in order to make their contribution to strengthening cooperation and friendship with the socialist member countries of the Warsaw Pact, as President Ceausescu put it. It is a fact

that for years Romanian soldiers have not been taking part in maneuvers outside their own territory, and foreign soldiers have not had access onto Romanian soil. But the Romanians do have a symbolic presence in joint exercises of the Eastern Military Alliance, to which they usually send several staff officers. It is no secret that for several years Romania has opposed the growth of military budgets called for by the Warsaw Pact and has been steadily reducing its military expenditures.

Relying on its own original conception of the armed populace, which underwent particular development after the events in Czechoslovakia in 1968, when they completely reorganized the defense system, which in certain circles in the East has been proclaimed the "Romanian deviations," the Romanians still have not altogether terminated military cooperation with the other members of the Warsaw Pact. As a matter of fact, they have limited the schooling of their officers in Soviet military academies. National defense and exclusive prerogatives concerning its own armed forces are not in fact in keeping with the doctrine of "Coalition Might," advocated by the Warsaw Pact, but that is not the only Romanian peculiarity.

Since 14 May 1955, when it became a member of the Warsaw Pact, Romania has been preparing its armed forces for three types of possible warfare: from a general nuclear conflict or conflict only with conventional weapons to a limited war. From the military-territorial standpoint the country is divided into 4 military districts with 16 provincial and several smaller local military organizational units. Every able-bodied male from the age of 20 to 50 and females from 18 to 45 are subject to required military service. Required military service lasts 16 months in the ground forces and Air Force and 24 months in the Navy. With respect to the entire size of its standing Army the Romanian Armed Forces are in fourth place in the Warsaw Pact, after the Soviet, Polish, and Czechoslovak Armies. The Romanian Armed Forces have a strength of 189,500 soldiers (108,500 doing required military service), with about 1,400 tanks, 378 combat planes, and 100 or so warships. As for tanks, the T-54 and T-55 tanks constitute the basis of armored units, while the Romanian Air Force has MiG-17's, MiG-21's, and MiG-23's. The Romanian Navy has three frigates of the Tetal type, three corvettes in the Poti class, and missile launches in the Osa class.

In addition to the regular Army, the Romanians have also developed very strong units of the Patriotic Guard, border troops, and also special units of the Ministry of Defense.

On the eve of its holiday the Romanian Armed Forces recently welcomed a new chief of staff. That place was vacated back last November, when Colonel General Vasile Milea, who up until that time had been the chief of staff, was appointed minister of defense. The previous minister of defense, Colonel General Constantin Olteanu, was appointed first secretary of the party organization in Bucharest and its mayor. The Romanian Air Force has also received a new commanding officer recently; this is Major General Iosif Rus, who replaced the previous commander Colonel General George Zarnescu. The general trend in the Romanian Armed Forces has recently been toward younger command personnel as well as a somewhat slower promotion to the rank of general.

In an exclusive interview with the newspaper DANAS, Col Gen Vasile Milea, who was then chief of staff and is now minister of defense, said 2 years ago "that Romania had taken a resolute and consistent position in favor of simultaneous dissolution of both NATO and the Warsaw Pact. We advocate reduction and freezing of military budgets at the lowest level, and along those lines Romania has decided to hold its own military expenditures at the level of costs in 1962.

"Romania is participating in the Warsaw Pact, which, as is well known, was created in order to defend against an imperialistic attack on Europe. We think that such an alliance, unless the other bloc on our continent is dissolved at the same time, should be exclusively defensive in nature. Our country's participation in the Warsaw Pact is founded on the general principles of Romanian foreign policy--full equality, strict respect for national independence, nonintervention in internal affairs, mutual benefit, and refusal to resort to force or the threat of force. On the basis of that orientation our armed forces have been strengthening friendship and cooperation with the armies of the Warsaw Pact, organizing activities in the spirit of the decisions of our party, training, preparing, and cooperating so that if necessary they could fulfill their obligations which they have in that alliance," Col Gen Vasile Milea said.

So that there would be no confusion and speculation in the West about supposed Romanian "insubordination," in Bucharest they constantly emphasize "that in keeping with its international obligations the Romanian Army will always perform its defensive tasks together with friendly armies and against an imperialist attack." But for years now Romania has been advocating a halt of the nuclear missile race in Europe, destruction or reduction of existing missile arsenals, and also liberation of our continent from any sort of nuclear weapons, both medium-range and also tactical. Bucharest is strictly opposed to nuclear weapons and the proliferation of such weapons and emphasizes that there are no nuclear warheads on Romanian territory. The summit meeting in Reykjavik was followed closely in Bucharest, especially since President Nicolae Ceausescu has several times emphasized that at the moment there is no more important problem than rescuing Europe and the entire world from nuclear destruction. It was at the initiative of the Romanian president and in the spirit of the decisions of the 12th Congress and National Conference of the Romanian CP that an extensive and realistic program of proposals was drafted for solving the problems of the nuclear missile race in Europe. This entire series of initiatives and proposals was conceived gradually, and Romania has also been emphasizing the need to broaden the talks about medium-range missiles by bringing in all European states, its motivation being that this would have a constructive influence on the views of the great powers, which are the ones who possess the largest stockpiles of nuclear weapons.

For all these reasons the announcement of the upcoming referendum on reduction of military expenditures should in fact be viewed as a logical continuation of the Romanian initiatives. To be sure, it is after all somewhat easier to undertake a referendum from the position of a full-fledged member of a pact....

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SOLUTIONS SOUGHT IN DAY-CARE SHORTAGE

Koszalin GLOS POMORZA in Polish 18 Sep 86 p 4

[Article by Jerzy Rudzik: "More Day-Care Centers Are Still Needed; The Shortage Is Getting Worse; In Search Of New Initiatives"]

[Text] There is a shortage of preschools and day-care centers. With regard to women active in the workforce, we hold second place in the socialist camp. However, with regard to the number of accommodations in day-care centers, we are in last place.

National statistics (still incomplete) indicate that in 1985 about 199,000 children, 3 to 11 years old, 11,000 more than in 1984, were enrolled in 1,510 day-care centers capable of accommodating 103,000 children. At the same time, the number of children 1 year old and younger enrolled in the day-care centers increased by several thousand. This is emphatic proof that mothers are not taking full advantage of leaves to raise children and are returning to work earlier. Simply stated, financial and living conditions are forcing mothers to return to work earlier to supplement meager family budgets, a phenomenon that will intensify.

Thus, the currently popular viewpoint that the introduction of leaves to raise children will greatly diminish the need to build new day-care centers turns out to be absolutely unjustified. Fortunately, Koszalin Province is above the national average with regard to day-care centers, but by no means do we head the list. This year over 500 children could not be accommodated in day-care centers. In fact, however, the need for day-care centers is much greater because applications for enrollment are not made in places where accommodations are not available. There are plenty such places in Koszalin Province. In general day-care centers do not exist in the rural hamlets, even the large ones.

Koszalin Province now has over 2,100 day-care accommodations including the facility in Karlino which was opened recently after many 'delays'). However, at least 20 percent more children have been accepted for these accommodations in September. Regulations and above all common sense do not permit any more. even so, the day-care centers are too crowded, which diminishes maximum safety, complicates care and feeding operations, and overburdens operating personnel.

In addition, the state of some of the facilities are such that they do not meet sanitary and space norms. They need to be renovated and remodeled. Some of them should be demolished. But where can the children be transferred while this is being done? In the past few years the rate of construction of these facilities in Koszalin Province has decreased for many reasons. In addition to the Karlino day-care center, whose construction took many years, the only day-care center to be built in Koszalin Province will be the one in Przyłaz that will be capable of accommodating 75 children. But the shortage of accommodations in Koszalin Province is very great. Thus, it is good that seven more facilities are planned for operation by 1990, which will alleviate present difficulties but certainly will not satisfy all needs. Time flies, yet most of the agreements with the housing cooperatives to implement these investments have not been signed. This is not a good omen. Similar problems need to be resolved in other cities and in individual health care facilities.

According to Provincial Office Health Department data, no new day-care centers are planned for Polczyn and Swidwin during this 5-year period. Today accommodations for at least 80 children are needed. New day-care centers will be opened in Kolobrzeg, Bialogard, Drawsko, Zlocieniec and Szczecinek. Nothing is being said about making such investments in small towns, especially in rural areas. Workplaces continue to decline such investments, basing their decisions on economic reform requirements. But this applies to the whole country. However, in rare cases, some large enterprises continue to build their own day-care centers or are planning to do so.

In discussing the problem of day-care centers, one should not forget the problem of costs and model organization. Parents pay 605 zlotys monthly to enroll a child in a day-care center! And this is regardless of income per family member. This is ridiculously small, since the real cost in Koszalin Province amounts to 118,500 zlotys annually for each child. This is a good example of the state's immense involvement in just one area of its social care activities. In addition, the day-care centers must be built and maintained first. Organizationally, a day-care center is designed on for 75 children on average between the ages of 3 months and 3 years. It also appears that some of the children (not many) that are somewhat older continue to use day-care centers because there is no room for them in preschool.

Giving the responsibility for caring for children of preschool age to a single ministry has been discussed for many years. Above all this should be done for educational reasons, but not only for these reasons. This is still under consideration. Right now the model for upbringing is being discussed in conjunction with the shifting numbers of preschool and day-care children. There are fewer younger children and more older children. According to the ministries of health and education's agreement, 'day-care' groups can be formed in preschools and vice-versa, assuming, of course, that the educational functions are expanded. But this occurs rarely in Poland, nor is it practiced in our area.

Buildings housing both preschools and day-care centers have been proposed. It is a good idea. Such a solution is very popular, for example, in the USSR, Romania and Yugoslavia, which the writer has witnessed personally. Such a resolution of the problem is convenient for the children and advantageous for

the parents. The child avoids unnecessary stress associated with transferring to a preschool because he already knows the place and people. The advantages to the parents are also obvious. For example, they will not have to accompany two children to two facilities located in different places.

Not much is known why mini-centers have not been formed in Koszalin Province as in some other parts of Poland. After all, standard plans are available to adapt the first floors of housing cooperative buildings. This concept for these facilities is very broad; the function of a facility can be modified to meet the needs of a particular community. Depending on the ages of the children, it can be used as a small day-care center or preschool or even community center.

Returning to the idea of dual-function facilities, they are being built not only in Poland but almost everywhere in the world. There are several variants of standard plans for joint day-care and preschool facilities that take into account the number of accommodations needed, the specifics of the location (rural area, hamlet, small or large city). The concern is not only about one roof but also about a single kitchen (except for milk preparation kitchens for day-care centers), administration offices and medical offices. Of course, there would be separate personnel for children in day-care centers and children in preschools--pre-school teachers and nurses, even though these personnel could be shifted if the need arose. Certainly, the number of administration-auxiliary people would be fewer, and building maintenance costs would be much less.

As of today both ministries have not reached an understanding on this question. It is a pity. However, it may be worthwhile to try it at the provincial level. Initiatives are needed urgently. It also should be remembered that the problem of accommodations in day-care centers (and in preschools) should not be viewed through the prism of statistical 'averages.' Using such 'averages,' it would be easy to conclude that each Polish citizen owns at least one wheel of an automobile or part of a color TV set. We must consider statistics only as a guide in recognizing problems.

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TOWN ADMINISTRATORS ON FUTURE OF JAROCIN ROCK FESTIVAL

Warsaw KURIER POLSKI in Polish 5 Aug 86 pp 1,2

[Article: "Satan Threatens Jarocin"]

[Text] They were dressed in black with pendants in the form of upside down crosses hung around their necks. They numbered barely about 100 among the crowd of 15,000, but they did manage to stand out. The satanists, as they are called, are something new, and it cannot be said for certain whether it is a sect or youth subculture. They appeared at this year's 'Rock Music Festival' in Jarocin. They came from Szczecin, Gdansk and their environments to show off. They are the authors of the greatest 'zadymy' [translation unknown] at this year's festival.

"During the concert they burned a large cross they brought along," states Czeslaw Robakowski, chief administrator of the city and gmina of Jarocin. "You can imagine the indignation this caused among the other festival participants, especially the residents. Those who favored the festival up to now may have a change of mind. Then it will be necessary to discontinue the Jarocin festival. Fortunately, it was the only such incident this year. Let us hope it will never be repeated."

The chief administrator was asked:

Are the preparations for such a concert and the congregation of such a large group of young people a problem for the city?

"Yes indeed. Much effort and preparation are required so that everything proceeds smoothly. This year 15,000 youths came. They had to be housed in private homes and in a tent city. They had to be fed, even late at night after the concert. Medical care had to be available and order had to be maintained. All of these problems were resolved."

How did the crowd behave?

"As I already mentioned, there was but one incident. There were no acts of vandalism or extreme destruction in the city."

Were there drug addicts in the crowd?

"Our festival is considered erroneously to be a hotbed of drugs. However, during the entire festival only four individuals were registered as intoxicated. Even Marek Kotanski, who appeared here this year, acknowledged that the festival is not encouraging the expansion of this terrible plague."

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