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8 MAY 1986

EAST EUROPE REPORT

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BRIEFS

YUGOSLAV-ALBANIAN TRADE--Only \$83.4 million worth of trade was completed last year between Yugoslavia and Albania, or 69 percent of the planned volume of \$121 million for 1985. This is even 4 percent less than in 1984 and it is the third year in a row marked by stagnation and decline in trade. The volume of exports depends considerably on imports of electric power and chrome ore since these are the largest items imported from Albania. An economic delegation from Albania is expected in Belgrade at the end of April to submit their proposals, requests and criticisms to a specialized service by 20 April at the latest. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 10 Apr 86 p 8] /9599

CSO: 2800/234

REPORTAGE ON VISIT BY USSR DEPUTY PREMIER MASLYUKOV

Tours Semiconductor Parts Factory

LD142058 Prague CTK in English 2026 GMT 14 Apr 86

[Text] Bratislava 14 April (CTK)--Soviet Deputy Premier Yuriy Maslyukov ended the first day of his visit to Czechoslovakia by inspecting the Tesla Plant in Piestany, a major Czechoslovak manufacturer of semiconductor parts.

The guest were acquainted with the production program which includes such semiconductor parts as diodes, transistors and unipolar integrated circuits and saw a line for the production of pivots and assembly of integrated circuits.

The plant exports to the Soviet Union nuclear particle detectors for the nuclear research institute at Dubna near Moscos, and Yuriy Maslyukov spoke to Tesla officials about the development of cooperation with the Krystal enterprise in Kiev.

Sees Computer Works

LD190947 Prague Domestic Service in Czech 1030 GMT 18 Apr 86

[Text] Yuriy Maslyukov, deputy chairman of the Council of Ministers of USSR, visited today computer producers in the Artima Vokovice. He acquainted himself with the demanding production program of the enterprise that contributes to the advancement of electronics in the CEMA countries. He showed interest in the top products and praised the office microprocessor TEXT 01 for automation of all administrative work, which could be used for the control of small production organizations.

At the end of the visit Yuriy Maslyukov spoke highly of the exemplary work of the Collective of Artima and emphasized that the connection of scientific-research and production capacities of the CEMA countries in this sphere would help not only to achieve the best results but would do away with the dependence on imports from capitalist countries too.

/12913

CSO: 2400/255

REPORT ON ISRAELI TRADE UNION DELEGATION VISIT

LD201401 Prague CTK in English 0825 GMT 19 Apr 86

[Text] Prague 19 April (CTK)--A three-member delegation of the bloc of the Democratic Front for Peace and Equality in the Federation of Workers' Trade Unions of Israel (Histadrut) visited Czechoslovakia on 15-19 April for talks with a delegation of the Prague-based World Federation of Trade Unions (WFTU), led by General Secretary Ibrahim Zakaria.

A communique on the talks said the Israeli delegation spoke about the deteriorating political, economic and social situation in Israel due to its government's aggressive and expansionist policy. The delegation stressed that this policy, together with the intensified militarization of society and the economy, places the burden of the crisis on the shoulders of the workers and is also reflected in discrimination against the Arab people.

The delegation stressed the role played by the Democratic Front in mounting opposition against the government's aggressive policy, and spoke also about its struggle against racism, which is supported by the democratic Jewish forces.

The Israeli delegation emphasized the consistent stand of the bloc in the struggle against the occupation and repressive and colonialist practices. It reiterated the active contribution of the bloc to the national and international struggle for peace and nuclear disarmament and in this context stressed its support for the Soviet initiatives aimed at safeguarding world peace. The delegation also strongly condemned the U.S. attacks against Libya and warned against the participation of Israel in this action.

The WFTU delegation informed Israeli representatives of the preparations for the 11th World Trade Union Congress to be held on 16-22 September in Berlin. The WFTU reiterated its solidarity with the struggle of the bloc of the Democratic Front for Peace and Equality in the face of the continued attacks on the living standards of workers, and highly appreciated the extremely important role played by the Front in the struggle to defend workers' rights and their trade union freedoms and in promoting the struggle of the anti-war forces in Israel.

The two sides expressed their determination to continue strengthening relations between the two organizations.

/12913

CSO: 2400/255

BRIEFS

JOINT CSSR ECONOMIC TALKS--Prague, 3 March (ADN)--Additional express train services will be introduced between Berlin and Prague and between Berlin and Budapest via Prague beginning June. This was confirmed at the 22d session of the permanent working group on transport in the joint GDR-CSSR economic committee, which ended three days of discussion on Thursday in Luhacovice. Measures for the realization of the programme of economic and scientific-technological cooperation up to the year 2000 were also discussed. [Text] [East Berlin ADN International Service in German 1509 GMT 3 Apr 86 LD] /12913

PETRA ADDRESSES SEMINAR--A specialist seminar took place today in Brno on intra-enterprise khozraschet [cost accounting system] and the brigade form of organization of labor and remuneration in agriculture. Frantisek Pitra, candidate member of the Presidium and secretary of the CPCZ Central Committee, stated in his speech that one of the key tasks crucial to the implementation of the conclusions of the 17th CPCZ Congress was to broaden and disseminate more thoroughly the experience gained from the enhancement of intra-enterprise khozraschet and from the implementation of brigade forms of organization of labor and remuneration. He drew attention to the most important sectors and the weak areas in agricultural production and the food industry that would have to be attended to in further elaborating and implementing the congress' conclusions. He recalled the current important task of carrying through the effect of the improved system of planned management in agriculture into the work collectives. Comrade Frantisek Pitra stressed at the same time that it was necessary to improve internal enterprise economics, raise the standard of internal enterprise planning and management, and improve forms of organization of labor and remuneration in every way. [Text] [Prague Domestic Service in Czech and Slovak 1300 GMT 3 Apr 86 LD] /12913

CSO: 2400/255

TAXATION SYSTEM COMPARED TO THOSE OF WESTERN EUROPE

Budapest HETI VILAG GAZDASAG in Hungarian 25 Jan 86 p 53

[Article by Andras Inotai: "Taxation Here and There"]

[Text] Enterprises, let them be state or private ones, have to pay several kinds of taxes: in many places they have to pay infrastructural--settlement development--contributions, special taxes as buildings in which there are no homes are treated as investments--production factors--and in most advanced countries there is also uniform private income-taxation-system. The Hungarian measures taken recently in the field of taxation are based on foreign examples and the main role of taxation-system is the re-distribution of incomes in the division of public burdens. However, the West-European tax-systems have two main features which cannot be ignored: there is not only taxes but the reduction of taxes also exists and the laws make clear what taxes are spent on.

For instance, in several countries in Western-Europe, research workers who spend much time at home, in their studies, are allowed to reduce a certain proportion of their heating-, electricity- and telephone-bills [at least 25%] from their taxes. After the energy-crisis of the 70s--parallel with the price-rises--the programme of the modernization of heating-systems started which did not only reduce energy-consumption but those who used the new heating methods had to pay less tax. The catalyst-programme which was started in West-Germany recently try to make the population use this energy-saving system by that those who use it do not have to pay their car-taxes. It is an even more general practice that in the first few years after the establishment of enterprises either they do not have to pay tax at all, or have to pay less and get better credit conditions. In other words, in the first few years the state supports the investment instead of getting hold of the most possible profits from the very first moment.

I am afraid that the Hungarian taxation-system--however just the reasons are why it has to be introduced--will remain a one-way street just like the other branches of economic life. As prices can only go up and never down, and there is scarcely ever better quality behind price-rises; as manufacturing and servicing units do not strengthen competition but establish monopolistic positions, as the economic measures taken over the past few years were able to bear our burdens in a passive way but did not contain elements showing renewal and not just those citizens have to pay higher taxes who have higher incomes but also

those who are more intelligent, more active, versatile and innovative--at the same time there is no incentive which would guarantee their further development and renewal, tax is just a burden which punishes instead of making people use their initiatives.

That is why many people think that it is not worth planning and thinking of future and at the same time it is not worth saving their money either.

The general opinion is that everybody has to "consume" whatever they have because it cannot be taken away, taxed or condemned. Under these circumstances there are more and more people who do not earn less than those who have holiday houses but they spend their money on beer, wine and alcohol and during weekends they do not clean their homes or train themselves but have "fun" instead. Sociological statistics prove that a significant part of Hungarian young people know nothing about values and their way of life is closely related to this concept.

The increase of national and private property and the realization of the possibilities of private activities necessary for national renewal are not just a question of public burden bearing but the population should be given such aims which they are ready to accept. The law on the taxation of buildings not used as homes says that the extra-incomes should remain at the local councils and that is why they get 100 million forints less from the state budget. In other words: 100 million forints can be spent on something else--but the population has not got a clue on what. Not even economic experts know how much money is wasted on the feeding of Hungarian loss-making companies.

I would like to stress once more: the re-distribution of incomes is necessary including the re-distribution of the incomes of the population. It is another serious problem that Hungarian tax-system has reliable data only on the incomes of those who are in touch with state organs and companies and this system is unable to tax extremely high incomes--to put it more correctly, high incomes compared to social demands and intellectual-professional standards--although this would be rather important. The aim of tax-systems is usually to increase the incomes which can be distributed centrally: to increase the "big cake" of the country. In the interest of this it has to motivate the strata which are able to produce extra incomes and pay tax. As against this the good ones--which are better than average--are simply "punished" and this is in contradiction with our basic, long-term social and national aims. If these strata are not prepared to work more, then the incomes to be distributed centrally may drop so much that in the end there would be no "cake" at all on the table of the country.

Many people argue a lot about the serious social problems in Hungary. According to my information I can say that we can pay more attention to these problems of primary importance if we establish the necessary financial resources first. These resources cannot be established by drawing everything away from those who have something left, re-grouping the poor sources but we have to be able to build new resources increasing incomes. This requires sacrifices from the population, social consensus and some other conditions. Instead of the process of re-grouping we should not aim at the financing of the increasing losses but at the rapid elimination of the sources of losses.

This is especially important because we do not have such resources which could be exploited without significant-reforms. On the other hand, the increasing burdens--which must be born also by the population--do not strengthen internal stability and consensus which we need today and in the future more than ever.

/9716

CSO: 2500/239

'TRANSCRIPT' OF KUBICZEK CONFERENCE ON ECONOMY

AU082054 Warsaw RZECZPOSPOLITA in Polish 5-6 Apr 86 pp 5, 6

["Transcript" of press conference for foreign journalists given by Minister Franciszek Kubiczek, deputy chairman of the planning commission of the Council of Ministers, at the Interpress Center in Warsaw on 27 March]

[Excerpts] Minister Franciszek Kubiczek: viewed in general terms, the economic situation can be assessed as follows: for the past 3 years, from July 1983 to be more precise, Poland has been going through a period of economic growth. With the exception of January and February of last year, when output declined by a minimal 0.5 percent, growth has been registered throughout the period. This is true of industry, building, and agricultural production. The economic growth rate is quite high. However, one can detect a certain very slight slackening of the growth rate. I would like to comment on this.

When the 3-year plan was being drawn up, it was envisaged that the rate of growth during the first year would be very low but that it would gradually increase in the years that followed. The very opposite has occurred. Thanks to the high level of social mobilization and the economic reform, a very high rate of economic growth was already obtained during the first year of the 3-year plan. Basic reserves [rezerwy proste] were freed quickly. And that is also one reason for the gradual decline in the rate of growth in 1983, 1984, and 1985. Last year it fell to the level which is envisaged in the plan being prepared for the period 1986-90.

Compared to other socialist countries, and to capitalist countries, the growth rate obtained by Poland hitherto is quite respectable.

A second element in our assessment of the economic situation is the favorable changes which have occurred in the structure of industrial production. These changes have occurred in the structure of material production; in particular, I am thinking of the increased role of products manufactured by the electrical engineering industry, the chemical industry, and the greater role played by new or up-dated goods. I should also like to point out that the trend toward reducing production material-intensiveness has been gaining momentum since 1983. The modernization of construction and technology along with changes in the structure of production are resulting in a gradual decline in material-intensiveness.

In terms of the 3-year period, relatively favorable output results are being obtained in agriculture--in both vegetable production and animal husbandry.

Positive changes are occurring in the investment structure. Investment aimed at modernization is occupying a more important place. This trend is clearly discernible when one compares investment indexes for construction work with those for the purchase of machinery and equipment. The investment process itself is being rendered more efficient, especially central investment and investments which are covered by government orders. Nevertheless, the level of improvement is still unsatisfactory, although investments are being realized more efficiently than 2 or 3 years ago. Production investments are playing a greater role in the investment structure, a development which is of fundamental importance for further economic development.

A negative aspect in the investment field is the overstepping of investment plans. Overall enterprise demand for finance continues to be so high that investment outlay is higher than envisaged in plans. Increased construction costs are another negative element. As far as overstepping investment levels is concerned, this is a phenomenon which has its plus as well as minus side. In a situation in which a rather far-reaching decapitalization of capital assets is occurring in many sectors of the economy, the speeding up of investment has helped to check the decapitalization process.

A further feature of the economic situation is the increasingly greater role played by our economy in the international socialist division of labor. Two-way trade between Poland and CEMA member-countries has been increasing at a rapid rate. It is recognized that the structure and effectiveness of this trade is advantageous. As for trade with capitalist countries, last year we noted that the planned level of trade was not attained. This was largely due to the withdrawal from export of significant amounts of coal in the first quarter of last year, which was due in turn to the difficult weather situation. Faced with the dilemma of having to choose between withdrawing coal from export, of reducing the heating of housing and halting production in many industrial plants, the building industry, and in agriculture, we chose the option of reducing the amount of coal available for export. This did, of course, result in a significant loss of hard currency earnings.

We are not satisfied with the progress that has been made in reducing inflation. It seemed as if we would be able to reduce the level of price and wage hikes to the level envisaged in the plan, that is, 12-13 percent. This we failed to achieve. Wage levels rose by 18.5 percent. It is interesting to note that the difference between the planned and actual rate of wage increase was paid for out of taxes, and that that portion of the increase in wages covered by production results amounted to between 12 and 13 percent, as we had planned.

As for the level of price increases, the amount by which the planned level was exceeded was not very great and amounted to 1.5 points, [as published] a level significantly lower than that for wages. Besides, I already said at last year's press conference that we had the price situation under control.

Essentially, the situation is that prices have been chasing wages for several years and not the other way around. And if we had the wage situation under control, it would be possible to reduce the rise in prices more quickly.

National income, both produced and distributed, increased by 15 percent, whereas the increase envisaged in the 3-year plan was in the region of 10 percent. Thus, the increase in national income was more rapid, almost 5 points higher, than envisaged in the plan.

As for consumption, a 9-10 percent increase was foreseen and a 13 percent increase obtained. Both real wages and real pensions, real in the sense that the cost of living is taken into account, rose by an amount which exceeded the planned level.

The level of investment is also high--it amounts to 27 percent--this is particularly true of production investment which amounts to 30 percent. It should be recalled at this juncture that between 1981 and 1982, that is at a time when national income fell greatly in relation to 1978, consumption fell by 11 percent and investment by 40 percent and production investment by 50 percent. Although the current rate of investment is sufficiently high, investment continues to be about 30 percent lower than it was in 1978.

Speaking in general terms, the 3-year plan has been successfully implemented. The many indicators which show concrete economic results attest to this. I should like to say a little more about some of them.

Industrial output has increased by 16.3 percent over the last 3 years. This high rate of increase was attained at a time when supplies from abroad were limited and has today reached a level that is close to that which obtained in 1978-79. The level of imported supplies is still 15 percent lower than it was at that time. As for imported supplies from capitalist countries, they are still 35 percent lower than in the period 1978-79. Nevertheless, the economy and industry in particular are displaying enough strength to overcome the difficulties arising from this situation. This has of course resulted in a certain decline in quality and increased costs; these are the negative side effects. Industry has, however, displayed great resilience in activating production under difficult material conditions.

A few words about exports. Exports to socialist countries are growing continually and are continuing to increase rapidly. They have increased by 23 percent in terms of fixed prices over the last 3 years. This growth has significantly surpassed the rate of increase in industrial output, which is evidence of progress in economic integration, and of the establishment of new cooperative and specialist ties with almost all CEMA members.

As for exports to capitalist countries, the results obtained in this area are still unsatisfactory. The goals of the 3-year plan have not been completely attained. However, I would like to point out that in terms of fixed prices our exports in 1985 reached the precrisis level, at a time when, as I have said, imports of supplies from capitalist countries were 35 percent lower.

If one does not include coal or shipping in the index for export growth, on account of the large decline in exports attributable to the unfavorable world market for shipping, then we have attained an increase in exports to capitalist countries when 1985 is compared to 1987 [as published].

If one examines the situation carefully, it is clear that for at least 2 years the development of certain branches and sectors of the economy has been assuming an increasingly export-oriented character. In 1984 we introduced a series of quite powerful economic levers for stimulating production for export; these levers were made more effective on the first of January of this year.

Marian Kafarski, AFP: Minister, I would like to ask you a very concrete question. Could the minister tell us what reductions in the inflation rates for the years 1982, 1983, and 1984 were envisaged in the plan, what actually occurred in practice, and what is the current situation like?

F. Kubiczek: The 3-year plan did not forecast particular rates of inflation for particular years. If one were to arrive at figures for each year on the basis of the general index or price increases, the picture would be more or less as follows: 1983, 23-25 percent; 1984 about 15 percent; and about 10 percent for 1985. And what were the actual figures obtained? The inflation rate for 1983 was 23 percent, a little less than 15 percent for 1984, and 14.7 percent for 1985. If one compares the actual indexes obtained with those deduced from the general index for the period contained in the plan, one finds that there is a clear discrepancy only for the year 1985. Were it not for the relatively high wage hikes in 1985, I think the increases in prices would have been significantly lower and would have easily fallen within the limits contained in the annual plan.

We envisage--besides, we want to express this very clearly in the 5-year plan--a further reduction in the rate of price increases. If one takes the rate for 1985 to be 100, then we want to cut this figure in half by 1990, that is to say, to bring the inflation rate down to between 7 and 8 percent. If one considers the objective causes of inflation, and here I have in mind the level of foreign trade, the investment structure, and the nonproductive investment outlays which have to be made, then it is difficult--and I am sorry I have to use this word--to dream of bringing the rate of inflation rate down to some very low level. It seems to us at the planning commission that reducing the rate of inflation to between 7 and 8 percent by 1990 is a very ambitious task. Moreover, this depends on whether we are successful in getting wages under control, as I said earlier.

Guy Dinmor, REUTER: You mentioned that three enterprises might be declared bankrupt. Could you please name these enterprises? How many people do they employ? What will happen to the employees once they lose their jobs? And finally, how many enterprises in Poland have gone into liquidation so far?

Kubiczek: First of all I would like to draw a distinction between liquidation and bankruptcy because the law envisages the possibility of liquidation but not necessarily in the form of bankruptcy.

I cannot name the enterprises concerned because we too are bound by the principle of banking confidentiality which obtains in many countries of the world including Poland. The most I can say is that these are large-scale enterprises. The execution of a liquidation or bankruptcy operation will always be very difficult. After all, we do not have much experience in this area. The two bankruptcy proceedings which occurred recently have not so far been resolved. And one can say that these cases will take some time.

There is no doubt that the employees concerned will obtain work. There are a lot of jobs in Poland. If one follows reports produced by the main statistical office on the number of job vacancies, then one can say that there is no need to be worried on that score. Besides, it is also possible that in cases of this kind a plant will be absorbed by an enterprise which is performing better. This enterprise might buy the plant or place it under its own management. A question hangs over the fate of the management of enterprises which go into liquidation or are expected to be declared bankrupt. There is no doubt about this. The law envisages certain unpleasant consequences for plant directors and chairman of workers' councils when they are no longer occupying managerial posts. These consequences will undoubtedly be unpleasant for leadership cadres.

We are approaching matters very calmly and carefully. I do not hide the fact that we would like to acquire some experience in this field. It might emerge that certain regulations are flawed or need to be expanded.

I would attach more importance to enterprises which have been taken over by supervisory commissions. The number of such enterprises will increase, perhaps significantly. We are running courses for commission directors; directors have to be trained in order to be provided. These people not only have to know how to perform their job; they must also want to carry it out and be prepared to take a certain risk. They must also have enough intellectual and organizational abilities to be capable of rescuing an enterprise from its difficulties. Supervisory commissions were operating in several enterprises last year; some of them have already been removed now that the plants concerned have been placed on a sound footing. These people derive satisfaction from being able to lead an enterprise out of difficulties by making bold decisions. We are acquiring experience in this area. And I think that in a year's time--if I have an opportunity to meet with you again--the number of enterprises which have been declared bankrupt will not be too great. On the other hand, I think that the number of enterprises run by supervisory commissions or undergoing what is called internal change will be greater than it is today.

Christopher Bobinski, FINANCIAL TIMES: I would like to ask what kind of an allowance a planner makes during work on a plan for any talks with the IMF on the subject of future loans. And second, will the demands and wishes of the Mining Energy Ministry concerning their investment fund for the next 5-year plan be approved, or will the figures contained in the draft plan be accepted as final?

Kubiczek: In the draft plan being prepared we do not foresee any extraordinary conditions caused by our reacceptance into the IMF. After we have already been accepted and when talks on very concrete undertakings commence, we will examine any such conditions during the actual implementation of the plan. The 5-year plan--and this is after all a plan involving a reformed economy--is flexible enough to be adapted to favorable changes. I repeat, favorable changes. So when such possibilities occur, they will be analyzed very carefully.

As far as the Mining Ministry's postulates are concerned, this is a matter which the Council of Ministers will deal with at its meeting tomorrow. I would not like to forestall facts here. This topic is bound to be analyzed carefully. For it is a strategic issue and will affect the present 5-year periods much as the next one, not to mention the period 1995-2000. I would therefore ask you to wait until Premier Gorywoda's press conference.

I would like to add that the problem of distributing funds for investment purposes is very difficult, as we know--difficult both from the point of view of the determination of needs and from the point of view of the possibilities of satisfying them. The point is to achieve something that Professor Sulmicki has called a perfect balance. It seems to us in the planning commission leadership that we have in fact proposed a distribution of investment funds that is a perfect balance.

Charles Gans, AP: I have three questions. The first: I realize that you cannot give the names of enterprises that will probably go bankrupt, but could you at least tell us what kind of enterprises they are? Are they for instance building enterprises or some other kind?

Second: You said that the price of oil in Western countries has been falling. Could you tell us whether it costs less than Soviet oil?

The third question concerns debts. I realize that debts will be discussed somewhere else, but nevertheless this issue affects planning, and in this respect the planning commission has an overall view of the situation. Could you therefore tell us what the instructions of the planning commission would be if--and I repeat if--proves impossible to obtain larger loans from the West in the immediate future?

Kubiczek: Of the three enterprises threatened with liquidation, one is a metal enterprise, another produces building materials, and the third produces machines. However, there are quite a large number of enterprises in the hands of supervisory boards. They include chemical, building material, and machine enterprises. Also included are a few building and agricultural enterprises. There is also a considerable number of production cooperatives that have lost their credit rating. Of the 730 economic units that have done so, 194 are state enterprises. The rest are cooperatives.

The present oil price on capitalist markets calculated in dollars is less than that of Soviet oil. As has been said many times, trade prices with CEMA

countries are based on the prices in force on capitalist markets 5 years ago. Hence the price we pay to the Soviet Union for oil, as well as the prices we pay other countries for their goods and the prices they pay us for our goods, are the same as average prices were between 1981 and 1985. That is why when weighing up the advantages, one must compare prices over a longer period of time and carry out an analysis of interdependent prices.

As far as our debts are concerned, Minister Nieckarz will discuss them. I only wish to say one thing: the only possible development path for our economy is to boost exports. That is why a rise in exports occupies first place among the economic goals contained in the 1986 central annual plan. The project of structural changes in our economy, which we will also present at the Council of Ministers meeting tomorrow as an integral part of the plan, will be subordinated to the need to raise exports. In this project, the selection of planned undertakings and the planned distribution of investment funds according to industrial branches is subordinate to the required pro-export development.

A rise in exports should be encouraged by quite a rich array of economic instruments. I wish to stress yet again that pro-export development figures exceptionally clearly in the draft 5-year plan. We believe priority should be given to exports and that thanks to exports, we can do a better job of solving problems in the domestic market.

G. Dinmor , REUTER: Can you tell us how much Soviet oil costs right now? You also said that Poland bought more oil from the West in January and February. Could you tell us how much Poland bought, and how much this is compared to past purchases?

Kubiczek: For details, please ask the appropriate "ciech" [Import-Export Center for Chemicals and Chemical Equipment] employee dealing with oil purchases. The rise in oil purchases in January and February was quite high. But it should not be regarded as a trend that will last the entire year. This was a kind of early purchase in order to meet our preliminary intentions.

Leopoldo Buderachy, PARA EL MUNDO of Argentina: I have one short question. What place do Polonian firms or any other enterprises based on Western capital occupy in the planning process?

Kubiczek: We establish a plan in accordance with the law. Today we have different legal instruments from those we had 5 or 10 years ago. They generally deal with total numbers, and neither Polonian firms nor Western small-scale enterprises are mentioned in them specifically. There are still so few of them that they are included in the whole category of enterprises.

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CSO: 2600/378

DEPUTY MINISTER ON SOCIAL WELFARE MEASURES FUNDING

PM141053 Bydgoszcz GAZETA POMORSKA in Polish 12 Mar 86 p 3

[Interview with Deputy Minister of Labor, Wages, and Social Affairs Jozef Bury by KAR correspondent Irena Scholl; date, place not given]

[Text] [Scholl] The bill on enterprises' social welfare and housing funds has finally reached the Sejm. Why did it take so long to come into being?

[Bury] Because it concerns an important and difficult question. Enterprise funds are, or at any rate ought to be, the basis of enterprises' social welfare policy. Hence the interest taken in them by both work forces and trade unions. It is no wonder the negotiations took so long.

[Scholl] Did the views expressed by the unions influence the shape of the bill in any way?

[Bury] Of course they did. For example, the original government draft stipulated that the amount allocated for social welfare be calculated on a quota basis, equalling 24,200 per employee in 1986. Subsequently, in the course of preparing future annual plans, the quotas would be adjusted.

The unions did not agree to it, and the bill as it now is provides for parametric allocations equivalent to 25 percent of the preceding year's average wage in the socialized economy, while the allocations for the housing fund are envisaged as equivalent to 12.5 percent of the average wage.

[Scholl] Were these the exact percentages asked and negotiated for by the unions?

[Bury] The unions had proposed higher figures. For example, for the social welfare fund they tried to secure an allocation equivalent to 30 percent of the average wage.

[Scholl] Precisely...

[Bury] ...but the arguments forwarded by the economists proved irrefutable. After all, it is in the manufacturing costs that the burden of these allocations is reflected, and if the latter are high they are going to be felt

by none other but the working people, who will have to pay higher prices for consumer goods. Suffice it to say that the cost of the changes envisaged in the bill will amount to some Z40 billion.

[Scholl] Please tell us what amounts can be expected to be allocated per employee for the two funds this year?

[Bury] Assuming, for example, that the average wage will equal Z19,600, in the following year the social welfare fund allocation in the manufacturing sector will amount to Z4,900. Let me remind you here that the figure obtaining until now has been Z2,700. That is, it will go up by Z2,200. In enterprises belonging to the nonmanufacturing sector it has been Z3,300, which means that the increase will amount to Z1,600. The housing fund allocation will be increased from Z1,350 to Z2,450 in the manufacturing sector and from Z1,650 to Z2,450 in the nonmanufacturing sector.

[Scholl] Until now, in making profit, industrial enterprises gained additional sources for their social welfare activities from the work forces' funds. Is that going to continue?

[Bury] There will be some changes. While preserving the principle of extra allowances, the bill provides for the introduction of above-standard-remuneration tax on that part of enterprises' social welfare allowance allocated out of work force funds which exceeds 2 percent of the wage fund. At present the allowance drawn on the work forces' funds is exempt of all taxation.

[Scholl] Why should the conditions governing the use of work forces' funds be made more difficult? After all, it is the work forces' own money, so why should they not use it as they think fit?

[Bury] Such freedom to use these funds is currently a "bone of contention," because there are tremendous differences between those enterprises that are "wealthy" and those that are not. They have been squandered with no regard for any social policy within the enterprise.

[Scholl] For example?

[Bury] There have been cases in which some of the money in work forces' funds was transferred to social welfare funds with only one aim: to make subsequent payments out of these, with no tax liabilities. This led to the rise of the phenomenon of the so-called holiday pay, which was, moreover, paid out to employees "as they came," irrespective of their incomes or family situation. In addition, audits carried out by treasury chambers showed that, among other things, television sets were purchased with that money. It was also used to pay for expensive trips abroad.

Consequently, huge disproportions arose between benefits available from social welfare funds. These disproportions were by no means the result of any deliberate social policy that might be pursued by enterprises, such as, for instance, consciously planned, extensive assistance offered to workers'

families suffering hardship (naturally, only if it is due to misfortune and not to unwillingness to work). Or else assistance extended to employees engaged in particularly hazardous or demanding duties, where there are perennial difficulties over full staffing. Disproportions in the scale of available benefits have arisen and continue to persist between those enterprises that make profits more easily, and so have more money to share out, and the remaining ones, whose inferior financial situation is not always their own "fault." As a result, there are enterprises where the work force has at its disposal a bare "skeleton" allowance for the enterprise's social fund, while in others the same fund is enhanced by sums reaching as much as tens of thousands of zlotys per each person employed.

Standardization of the principles of allocating resources and curtailment of excessive payments coming out of work forces' funds is consistent with the concept of social justice.

[Scholl] The last word on this issue will rest with the deputies. Let us hope that the bill on enterprises' social welfare and housing funds is not held up too long in the Sejm.

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CSO: 2600/378

GORYWODA CHAIRS SCIENTIFIC-TECHNICAL MEETING

LD130341 Warsaw PAP in English 2012 GMT 12 Apr 86

[Text] Warsaw, April 12--The Planning Commission presidium and the presidium of the Committee for Science and Technological Progress met here today to discuss a programme for scientific and technological development in the years 1986-1990.

Debating under the chairmanship of Manfred Gorywoda, the presidiums found that the programme's objectives converge with the main target of the state economic policy in the current 5-year period, namely, that scientific and technological progress must become a chief factor in Poland's social and economic development by stimulating higher efficiency in the functioning of the economy, which operates under the conditions of strongly limited possibilities to increase the resources of labour, raw and other materials, to elevate the economy's exportability, change the production structure and modernize entire economy, and to improve environment protection.

The presidiums put special stress on the strategic topics involving a development in the electronical basis, promotion of computer science, mechanization and automation of production, chemical technologies and materials, application of biotechnology, nuclear energy and technology, and rationalization of the use of productive property.

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CSO: 2020/119

RAKOWSKI CHAIRS SOCIOECONOMIC COUNCIL SESSION

LD142127 Warsaw PAP in English 2053 GMT 14 Apr 86

[Text] Warsaw, April 14--The Socio-Economic Council at the SEJM (Polish Parliament) conferred here today under the chairmanship of Mieczyslaw F. Rakowski.

The council passed an opinion on the implementation of the laws of socio-occupational organizations of peasants and on co-operatives.

According to the general opinion of members of the council, those laws created conditions for the revival of the forms of self-government in the countryside and should not be changed. Highly appraising the two laws, the council saw many difficulties in their full implementation.

In connection with this, the council is of the opinion that the Supreme Board of Inspection NIK should control the implementation of these laws by the state administration bodies and co-operative organizations.

Misunderstandings and doubts arising in the course of implementation of these laws must be settled by appropriate bodies, that is the Council of State and the Supreme Court and not by the ministries concerned.

The council was also presented with a government draft law on welfare and housing funds in units of the socialized economy. The discussion on this draft caused many controversies.

The council authorized its presidium to formulate the final version of an opinion on this issue taking into account the discussion at today's meeting.

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CSO: 2020/119

BRIEFS

TRANSSHIPMENTS FROM USSR--Transshipments at the PKP "dry port" in Malaszewicze in the Bialopodlaski voivodship are continuing at a brisk pace. In each 24-hour period, 18,000 to 20,000 tons of goods coming from the USSR are reloaded. These goods include iron ore, diesel fuels, metals, Martensitic pig iron, coke, and cotton. Supplies of mineral fertilizer have also increased. Washing machines, refrigerators and television are in transport containers. A shipment of Lada automobiles has also come from the USSR. Since the beginning of the year, the Soviets have sent 1.5 million tons of goods to Malaszewicze. Half of these goods are intended for the GDR. [Text] [Warsaw ZYCIE WARSZAWY in Polish 11 Apr 86 p 1] /9599

KATOWICE STEEL MILL TALKS--Deputy Premier Manfred Gorywoda, chairman of the Planning Commission, met with the directors and the socio-political activ of the Katowice steel mill. They discussed such problems as how to more quickly attain the planned production capacity of the rail heat treatment section which had begun production at the end of last year, the quality of the manufactured goods, and progress of work on the largest investment project of the mill: building the coking plant. They also discussed certain details concerning the future investment program of the steel mill. [Text] [Warsaw ZYCIE WARSZAWY in Polish 10 Apr 86 p 2] /9599

AGRICULTURAL MINISTER ENDS PRC VISIT--Beijing, 11 Apr--Polish Minister of Agriculture, Forestry, and Food Economy Stanislaw Zieba was on a visit to People's China at the invitation of Chinese Minister of Agriculture, Animal Husbandry, and Fishery He Kang. The talks concerned cooperation in the field of plant growing, farming technologies, and agro-food processing. In the course of the visit the foreign trade enterprise Rolimpex signed contracts to import protein-rich fodders. At the end of the visit both ministers signed a protocol outlining the topics and terms for further development of cooperation in the field of agriculture and food economy. Minister Zieba was received by Deputy Premier Tian Jiyun. [Text] [Warsaw PAP in English 1100 GMT 11 Apr 86] /9599

POLAND, SPAIN RESCHEDULING ACCORDS--Madrid, 16 Apr--Two accords on rescheduling Poland's payments of government guaranteed credits due to be repaid to Spain in 1985 were signed here by first deputy chairman of the board of the Bank Handlowy Jerzy Malec and representatives of the official credit institute and the Spanish Society for Export Credits. The sides also held talks on guarantees for credit exports to Poland. [Text] [Warsaw PAP in English 2135 GMT 16 Apr 86 LD] /9599

DASCALESCU ON FULFILLMENT OF SOCIOECONOMIC DEVELOPMENT PLAN

AU110601 Bucharest SCINTEIA in Romanian 4 Apr 86 p 2

["Report of the Council of Ministers on the fulfillment of the Uniform National Plan of the Country's Socioeconomic Development in the First Quarter of 1986 and Measures to Completely Fulfill the 1986 Plan Provisions, Presented by Comrade Constantin Dascalescu, Prime Minister of the Government" at the Grand National Assembly session in Bucharest 3 April]

[Text] Much esteemed Comrade Nicolae Ceausescu, president of the SR of Romania, and esteemed comrade deputies: On behalf of the government, please permit me to report to the Grand National Assembly [GNA] how the uniform national plan has been fulfilled in the first quarter of the current year and to present the measures that have been established to completely fulfill the 1986 tasks and to implement the historic decisions of the 13th party congress on the intensive development of the Romanian economy in the current 5-year plan.

The provisions of Romania's socioeconomic development plan in 1986 and the overall 1986-90 5-year plan which marks our homeland's transition to a new and superior stage of development and Romania's transition from a socialist developing country to an medium-developed country are based on the achievements registered in the 1981-85 period. Under the difficult international conditions determined by the world economic crisis and by certain domestic contradictions in the development of various branches of the national economy, the 1981-85 5-year plan has ensured the fulfillment of the plans on raising Romania to a new development level and improving the material and cultural standard of living of our whole people.

Through the efforts of our whole people under party leadership, in 1985 industrial net production was 28.7 percent, commodity production 21.6 percent, national income 24.1 percent, and people's incomes in the socialist sector 34.3 percent higher than in 1980, while the export volume in the 1981-85 5-year period increased 46.5 percent compared with the 1976-80 5-year plan. In this timespan, scientific research, education, and culture--factors of particular significance in ensuring the general progress of our socialist homeland--went through an intensive development.

I view it as my duty of honor to stress from the rostrum of the GNA, too, the decisive role played and the contribution that has been made--and is being

made---by Comrade Nicolae Ceausescu, party secretary general and president of the republic, in formulating and substantiating--on the basis of a profoundly scientific base--the directions of the homeland's socioeconomic development, in resolving the cardinal problems of the country's economic growth, and in working out measures designed to ensure the broad mobilization of the creative energy and forces of our nation in order to fulfill the 1986 plan and the overall 1986-90 5-year plan.

Esteemed comrade deputies, I want to state frankly, as Comrade Nicolae Ceausescu has stressed, on many occasions, including the 1-2 April RCP Central Committee plenum of this year, that the results registered in 1985 and in the overall 1981-85 5-year plan could have been much better if action has been taken in all sectors in an exacting and revolutionary spirit to better organize the production process and labor, to strictly observe plan discipline, and smoothly and completely achieve the planned production in order to fully utilize the technological and human potential, all resources available in our national economy, and to improve the overall activity.

I want to assure you, much esteemed Comrade Secretary General Nicolae Ceausescu, that the government, the ministries, and the collective leadership bodies in all economic units have drawn the necessary conclusions from the way action was taken in 1985 to fulfill the plan and are determined to firmly struggle, in the spirit of the requirements and demands formulated by you, to eliminate negative situations that have been obvious in the organizational framework and management of the economic activity and they are determined to take all necessary measures to ensure the resolute implementation of the 13th party congress decisions and the guidelines you constantly provide, with a view to completely fulfilling the 1986 plan and the program on socioeconomic development endorsed for the Eighth 5-Year Plan.

Esteemed comrade deputies, the 1986 plan stipulates sustained economic growth rates on the basis of accentuating the qualitative aspect of industrial and agricultural development and of all branches of material production.

As is known, on the basis of certain nonfulfillments in 1985, the development indexes included in the 1986 plan are a little higher than in the 1986-90 5-year plan. For this very reason, the government, the ministries, and all economic units are to take appropriate measures to achieve--already in the first year--a high rate of development, thus ensuring the necessary conditions for the years to come and throughout the 5-year plan in order to achieve the goals and tasks put forward by the 13th party congress.

In 1986 the national income will increase 10-12 percent, thus exceeding the increase in the social product. In industry, net production will increase 12-15 percent compared with an 8-9 percent increase in commodity production while in agriculture, overall production will be 6-7 percent higher than in 1985.

Upon the initiative and under the direct guidance of Comrade Nicolae Ceausescu, party secretary general and president of the republic, and on the basis of a thorough analysis of the material, technological, and human possibilities available in industrial enterprises, we have worked out an additional program

aimed at intensively increasing coal, crude oil, iron ore, and electrical energy production, at increasing production in the processing industry beyond plan tasks, and at improving the competitiveness of Romanian products in foreign markets.

To achieve these growth rates and fulfill the additional program, the government, ministries, centrals, and enterprises have taken a number of actions designed to ensure not only the smooth fulfillment of the plan but also increased economic efficiency in all areas. These measures are to ensure an improved organizational framework for the production process and labor, modernization of the production process in all units, a greater reduction of material and energy consumption, increased profitability of products, increased efficiency of fixed assets in production, a constant increase in labor productivity, and the general application throughout the economy of remuneration according to the overall contract and direct payment system. At the same time, they must also lead to the firm application of the principles of workers self-management and financial-economic self-administration in all areas of our homeland's socioeconomic activity.

Esteemed comrades, in the first quarter of the current year, the working people, in fulfilling the tasks put forward and applying the recommendations made by Comrade Nicolae Ceausescu, have carried out an activity that took concrete form in the fulfillment and overfulfillment of the industrial production planned for this period and registered an additional amount of more than 40 billion lei as compared with the first quarter of 1985. Production in excess of the plan was registered in this period in the case of pit coal, coking coal, steel plates and shapes, industrial fittings, certain types of technological equipment, ball-bearings, electronic components, automation means, precision instruments, polyethylene, medicines, dyes, coloring agents, and other important products for meeting the requirements of the national economy and for exports.

Although the industrial production plan was fulfilled in accordance with the provisions of the law, the production plan cannot be considered as implemented because the export plan was not achieved.

I must stress that the Ministry of Agriculture, the Ministry of Machine-Building, the Ministry of Mines, and the Ministry of Petroleum have not fulfilled the production plan for this quarter.

In critically examining the economic activity carried out in the first quarter, we must stress that the collective leadership bodies in certain ministries, centrals, and enterprises have not taken firm action to eliminate all difficulties, they have not taken efficient measures in time to eliminate failings and shortcomings, a fact that explains that results were not everywhere up to the possibilities available in our national economy.

In the coming period, the government, the ministries, the other coordinating economic central bodies, the executive committees of the county people's councils, industrial departments, and enterprises must take more determined action to ensure the day by day smooth and more efficient fulfillment of all

plan tasks and to make sure that lags, especially those in export production, are made up for.

To ensure the achievement of the planned growth rates, of great importance is the constant increase in coal, crude oil, nonferrous metals, and electrical energy production.

In the field of coal mining, particular measures are required to achieve the planned production of 69 million metric tons. For this purpose, work for rapidly putting into operation brown coal mining capacities, especially in Rovinari and Motru must be speeded up, as must work for putting into operation the pit coal mining capacities in the Jiu Valley. Action must be taken to substantially increase the utilization index of technological lines in brown coal pits, perfect mining methods and technologies, improve the quality of coal delivered, ensure qualified personnel, and strengthen order and discipline in all areas.

In the field of crude oil extraction, the Ministry of Petroleum, the extraction-well-drilling trusts, and oil fields must substantially improve their work, must act with great determination and responsibility to observe the production quotas established for each day by the plan, must reactivate oil wells that are out of use, carry out good quality repair and maintenance work, and must speed up oil drilling and flow tests from new oil wells. It is necessary to intensify efforts to expand modern exploitation technologies in order to increase the final recovery coefficient of crude oil from deposits and to speed up work for putting into production the Romanian off-shore platform in the Black Sea.

In the electrical energy industry, the ministry leadership must firmly continue to apply the measures and actions established to fulfill the planned electrical energy production. Thus, it is necessary for the ministry and electrical energy producing units to immediately mobilize all forces and act with great responsibility in order to increase the coal-generated electrical energy production up to at least 4,200-4,500 MW in order to avoid inappropriate situations as was the case last year and during some days in the current quarter, thus ensuring conditions for cutting back on the consumption of hydrocarbons and for saving water from the reservoirs of hydropower plants. This is why the Ministry of Electrical Engineering, and the other ministries in charge of supplies must take all necessary measures to ensure that the program endorsed by the party leadership is observed to the letter in order to increase the durability of energy aggregates and to see to it that all basic and auxiliary installations are properly operating and utilized.

Special attention must be paid to strictly observing the programs on the modernization of energy installations in Rovinari and Turceni and to generally introducing the respective results to all boilers of the 330 MW groups. Special measures shall be taken to increase the capacity of coal storages, to improve the operation in coal storing units, and to set up some 6 million metric tons of stocks at coal-fueled electrical power plants by the end of the third quarter.

Measures will also be taken to achieve the planned energy supplies from new sources--solar, biogas, wind-generated energy, and geothermal energy--to utilize reusable energy resources, and to intensify the construction of micro-hydro-power plants stipulated in the endorsed program in all counties.

The government, the collective leadership bodies in ministries, centrals, enterprises, and peoples councils shall also act with great exactingness to ensure the complete application of the set of measures worked out to save materials and to see to it that consumers strictly observe consumption norms for fuels, carburants, electric and thermal power--one of the essential ways to provide the national economy with the necessary energy resources.

In the processing industry, the ministries, the coordinating central bodies, the working people's councils in central departments and in enterprises have to give priority to the smooth fulfillment of the physical production plan in its envisaged variety range, giving emphasis to export production. In the metallurgical industry, the main task on which attention has to focus is to ensure proper metal supplies for the national economy in the quantity and structure envisaged by plan. The leadership of the Ministry of the Metallurgical Industry must take more firm action to more efficiently manage allocated material and energy resources, to ensure a strict observance of the consumption norms established for coking coal, fuels, electrodes, iron alloys and high-melting materials, the optimal operation of metallurgical aggregates, reduce technological losses, and increase the steel extraction coefficient to at least 86 percent. At the same time, measures shall be taken to observe to the letter the delivery provisions for semimanufactures between combines, thus creating the necessary conditions for fulfilling the manufacturing program for pipes and tubular goods for domestic consumption and export.

In the machine-building industry, action will be taken in the spirit of tasks put forward by the party leadership in order to optimally utilize the strong production potential available in Romania, to constantly increase the technological and qualitative level of products, speed up the modernization and redesigning process, and the introduction into production of new types of highly technical and durable machines, equipment, and components needed by the priority programs in the economy and especially by those in exports.

The leadership of the machine-building ministries, especially that of the Ministry of Heavy Equipment and of the Ministry of Electrical Engineering must proceed with great determination in applying the measures established for completely manufacturing the planned equipment, machines, installations, and tools in keeping with the putting into operation of production capacities envisaged by the investment program.

Important tasks devolve on the chemical and petrochemical industry where the two ministries must take firm measures to make up, without delay, for certain arrears noted in the crude oil processing sector and in chemical products, especially in the case of fertilizers, artificial yarns and fibers, rubber and plastic products, and detergents. At the same time, more determined action must be taken to rapidly develop fine synthesis and low-tonnage branches, to substantially cut back on raw material, other materials, and

energy consumption, and to diversify products, thus ensuring better supplies of fuels, carburants, and chemical products for the national economy and an increasingly larger participation in the country's exports.

The leaderships of the two ministries and of the chemical and petrochemical combines are obligated to take firm action to strengthen order and discipline at the workplace so that each installation will operate without disruptions and under fully secure conditions.

In the construction material and wood processing industry, attention must be paid primarily to improving the manufacturing structure, fulfilling the export program by effectively adapting the production process to market requirements, and to primarily increasing those varieties of products that permit a better utilization of raw and other materials. We must firmly proceed to expanding the technology of manufacturing clinker with raw materials in suspension to broadly utilizing the dry process in cement production, to replacing coal by hydrocarbons, to extending installations for recovering heat and useful products, and to considerably increasing their quality and usefulness.

In the consumer goods industry, we have to firmly fulfill the tasks set and recommendations made by the party leadership to manufacture new products that will ensure a better utilization of raw materials, a greater variety of products, and a substantial increase in their quality and competitiveness in foreign markets.

In transportation, where in the past period, including 1985, there were serious failings, it is necessary to firmly strengthen order and discipline, to better utilize automobile, railroad, and naval transportation, and to reduce costs and eliminate any kind of waste.

Esteemed comrades, the 1986 plan sets great and complex tasks for agriculture. As the party secretary general, Comrade Nicolae Ceausescu, specified at the enlarged plenary session of the National Council of Agriculture, we have to take very determined action in this basic branch of the economy in order to fulfill the planned vegetable production and the targets set for the animal breeding sector.

For this purpose, the government, the Ministry of Agriculture, the National Union of Agricultural Production Cooperatives, the people's councils, the joint agroindustrial state and cooperative councils, and all units in agriculture must act with responsibility to prepare and carry out the spring agricultural campaign, the tending of crops, and the harvesting of agricultural produce under favorable conditions, considering that this year we have to achieve 31 million metric tons of grain, 10.3 million metric tons of sugar beet, almost 1.2 million metric tons of sunflower, 6.6 million metric tons of potatoes, and 7.7 million metric tons of field vegetables.

In animal breeding, to fulfill the very important tasks, namely to achieve 8.5 million cattle, 15 million pigs, and 24 million sheep by the end of 1986, it is necessary for the Ministry of Agriculture, people's councils, and all state and cooperative agricultural bodies to pay particular attention to ensuring the necessary conditions to achieve the planned livestock breeds, the

birthrate indexes, and an increase in weight, and to ensure the strict observance of the average weight of animals delivered to the state stocks; for this purpose, the measures established to develop the fodder base must be applied with great determination.

The government, central and local bodies shall take determined action to apply to the letter the new measures initiated by the party leadership in order to most efficiently utilize the material-technical base available in agriculture and the overall working personnel, to observe the norms on expenditures, on granting advance payments to state and cooperative agricultural units, to members of agricultural production cooperatives, and to private farmers with contracts for delivery of agricultural produce to the state stocks, and to observe the norms on granting credits for the production process. Action must be taken to ensure the strict observance of the criteria and norms regarding the nature of such advance payments and credits and the limits and conditions in which they are granted, so that they will directly contribute to an efficient increase in the vegetable production and animal products and that agricultural units are given an incentive to cover their expenses from their own incomes and to achieve profits.

Working with great responsibility to fulfill to the letter all tasks included in the agriculture and food industry plan and to apply the new measures recently endorsed by the party Central Committee plenum, and by achieving the planned agricultural produce and foodstuffs, we will be able to appropriately meet the people's rational food requirements in keeping with the self-sufficiency program.

Esteemed comrades deputies, one of the basic tasks of the 1986 plan is the implementation of the foreign trade program. As Comrade Nicolae Ceausescu, party secretary general and president of the republic, stressed at the recent party Central Committee plenum, increasing the volume of exports, the efficiency of foreign economic exchanges, and expanding international production sharing are objective requirements on the implementation of which we must focus all our efforts.

In the first quarter of the current year, although an active trade balance was achieved, I must, however, state that, because of certain failings that were noted in ensuring all required conditions, the export plan for this period was not completely fulfilled.

Drawing all necessary conclusions from the way in which the activity in this area has been carried out so far, the government, ministries, and central departments shall immediately take action in each enterprise, so that most determined measures are taken to prepare for and begin manufacturing products designed for export in order to fully honor all orders and ensure a smooth delivery of all products for export in keeping with plan provisions. The Ministry of Foreign Trade [as published] and the economic ministries shall intensify their foreign market prospecting and the conclusion of contracts for the overall 1986 export plan. At the same time, action shall be taken to more effectively adjust the production process to our partners' requirements, to diversify marketing forms, expand market outlets, to increase the share of

highly processable products, and to better sell Romanian products in foreign markets. We shall carefully see to it that raw and other materials, technological means, and highly qualified manpower will be used mainly for manufacturing export products. Quality control in all manufacturing units will be strengthened, so that products designed for export can compete with similar products in foreign markets.

It is necessary to primarily ensure the technical-material base for export production in keeping with the provisions of the law.

Under no circumstances is anyone permitted to use raw and other materials for things other than export or for other purposes.

We will focus our attention on achieving trade exchanges and economic cooperation ventures as agreed upon with the CEMA member-countries and with all socialist countries, so that cooperation will contribute, to an increasingly larger extent, to meeting the requirements for raw materials, fuels, energy, and other products, and to deepening production specialization and sharing in order to more effectively utilize the productive potential in each country. We shall act to further promote economic exchanges with the developing countries and the developed countries in the spirit of the principles of equality and mutual advantage promoted by our party and state.

Esteemed comrade deputies, the 1986 socioeconomic development targets are supported by large investments oriented mainly in the direction of increasing more rapidly the given unit's own raw material and energy base, modernizing the processing industry, and developing agriculture at a more intensive rate.

In the first quarter of the current year, although weather conditions have been favorable, the investment program has not been implemented completely. According to recommendations by the party leadership, the government, ministries, the State Planning Committee, the Ministry of Supply [as printed], and the other coordinating central bodies shall focus on completely implementing the program, on putting into operation the projects stipulated in the 1986 plan and on making up for certain lags noted especially in the field of energy, chemistry, and metallurgy. Great attention shall be given to the construction-assembly activity and to the delivery of technological equipment, installations, and apparatuses in close correlation with the schedules for putting into operation projects of great importance for our country's economic development: The Cernavoda nuclear-power plant; the Drobeta-Turnu Severin chemical combine, the hydropower facilities at the Iron Gates II, Riul Mare-Retezat, and Olt, the coal-generated power groups in Turceni, Oradea, Craiova, and Govora, the coking batteries in Calarasi, Calan, and Resita, the rolling mills for advanced metallurgical processing, the new mining areas, and other things.

I want to assure you, much esteemed Comrade Nicolae Ceausescu, president of the republic, that the government is firmly determined to take all necessary measures so that the investment program for this year will be appropriately implemented. We will immediately proceed to firmly applying the norms drawn up in the spirit of recommendations made by you and aimed at substantially

improving the utilization rate of fixed assets, increasing industrial production and economic efficiency more rapidly, and at raising, on this basis, the national income. We will pay special attention to cutting back on investment costs and to establishing new projects that are to be built on the basis of strict observance of the criteria of economic efficiency and of considerably increasing the material production for each unit of fixed asset in the national economy.

Esteemed comrades, in successfully fulfilling the 1986 plan, a primary role devolves on the scientific research activity. We have a vigorous scientific creativity potential able to deal with and resolve the most complicated problems of the technological and scientific revolution in all areas. It is essential for us to fully utilize that potential to implement the basic targets of our country's intensive economic growth on the basis of implementing the scientific research and technological engineering programs formulated under the guidance of Comrade Elena Ceausescu, first deputy prime minister of the government.

Great attention must be given to speeding up research aimed at better utilizing all our raw materials we have and to economically exploiting the national reserves of minerals and energy sources, including deposits of low-grade ore. Measures shall be taken so that enterprises, central departments, and research institutes--with effective help by ministries--will intensify their concern with shortening the time before research results are introduced and utilized in the production process and their concern with speeding up the assimilation of products and highly productive installations and equipment characterized by low consumption of raw materials and energy and by a better economic-technological performance in order to cut back on imports and increase the competitiveness of Romanian products abroad. We must act so that technological progress will indeed become a basic component and decisive factor in implementing the program of the country's socioeconomic development, as the party secretary general puts it.

Esteemed comrade deputies, an essential goal of our activity in all socioeconomic areas, once again stressed by Comrade Nicolae Ceausescu at the recent Central Committee plenum, is increasing economic efficiency to a greater extent and better utilizing all material and labor resources. The 1986 plan envisages a 10-12 percent increase in labor productivity in the national industry and a cutback in production costs by more than 48 lei per 1,000 lei commodity output.

The ministries, the State Planning Committee, the Ministry of Finance, banks, and the collective leadership bodies in all economic units have to take action with great determination to commendably execute these vital tasks in order to develop our homeland's economic potential. Increasing labor productivity, reducing costs, and constantly increasing profitability require that the government, the ministries, and all economic units proceed with great determination to general actions throughout the national economy, as initiated by the party leadership, aimed at perfecting the organizational framework of the production process and of labor, modernizing manufacturing technologies, and firmly promoting technological progress in order to ensure a substantial increase in

the itemized and export production in excess of plan provisions for 1986 and for the overall 5-year plan. Within this framework, it is necessary to take firm action to broadly introduce mechanization, automation, electronics, and robotics, expand automatic data processing, improve the labor norm-setting activity, ensure proper supplies of raw and other materials, and semi-manufactured products for shifts in all sections and workshops, and it is necessary to strengthen order and discipline at each work place.

The recent party Central Committee plenum adopted very important measures to increase the general efficiency of the activity in each economic unit to strictly observe the norms on costs per product, to properly utilize circulating capital, and to grant credits and advance payments for the production process and for further perfecting the price system for production and deliveries, especially in the horizontal industry [industria orizzontala].

Decisive measures shall be taken in each economic unit to ensure that units are working at full capacity, that all machines and installations are optimally and efficiently utilized, and that production costs, material, fuel, and energy consumption is cut back to a greater extent. It is necessary to give priority to better utilizing resources and to redesigning products and manufacturing technologies, especially those consuming large amounts of raw materials and energy. At the same time, special attention has to be paid to recovering all reusable resources, this being a factor of great importance for ensuring the material balance of the plan.

An important role in stressing the qualitative aspect of economic development and in better utilizing social labor is played by measures aimed at directly linking the incomes of all working personnel in all branches and sectors of activity to results attained in production and by increasing the responsibility of the working people's collectives for fulfilling all plan indicators. We assure you, much esteemed comrade party secretary general, that the government, ministries, and all central economic bodies will act to firmly apply the new regulation submitted for the discussion and endorsement of the current Grand National Assembly session in connection with remuneration on the basis of the direct payment and overall contract system of all categories of workers, thus ensuring a closer link between individual incomes and the fulfillment of plan tasks and a closer link with fulfilling the physical and export production, with increasing the share of better quality products and reducing the normed specific consumption of raw materials, other materials, fuels, and energy, and with increasing labor productivity and economic efficiency. Special attention shall be paid to firmly applying the measures established with a view to strengthening the collective and individual responsibility of the working personnel and to optimally managing that part of the national wealth entrusted to economic units by society.

As you stressed at the recent RCP Central Committee plenum, it is necessary to take determined action to change the work concept in the financial and economic fields, to strengthen control over the utilization of financial and material resources, and to ensure that they are managed with maximum efficiency.

Esteemed comrades, the very important tasks stipulated in the 1986 plan require, as an objective necessity, to further perfect the management, organization, and planning of the activity in all areas.

The government will take firm measures to improve its work style and methods, it will imprint a more dynamic and exacting spirit in all echelons in order to effectively resolve all problems that condition the complete implementation of the provisions included in the program of the country's socioeconomic development in 1986. Firm action shall be taken to unswervingly observe the plan discipline, to strengthen responsibility in applying the party decisions, the country's laws, and the guidelines and recommendations by the president of the republic, Comrade Nicolae Ceausescu. Measures will be taken to constantly improve relations between ministries, central departments, and local bodies, so that their overall activity will take place under most favorable conditions and that workers democracy will firmly exercise its prerogatives under the law.

The State Planning Committee, the Ministry of Material-Technical Supply, the Ministry of Finance, the Ministry of Foreign Trade, economic ministries, and the other central economic bodies must take more exacting action to fulfill the duties devolving on them under the party decisions and the country's laws firmly and to the letter. They must constantly and exactly see to it that the plan discipline is observed and that the material, financial, and the currency balance of the country's socioeconomic development plan is ensured. Special attention must be given to establishing a strict savings system and a perfect financial discipline and to strengthening the banking-financial control over the management of the material assets and funds of economic units.

We will resolutely honor the tasks put forward by Comrade Nicolae Ceausescu, namely that ministries, state central and local bodies should carry out their activity to a greater extent in economic units and that they should participate directly, together with the collective leadership bodies in the respective units, in perfecting the management activity and the activity aimed at fulfilling the tasks under the uniform national socioeconomic development plan for 1986.

Esteemed comrade deputies, expressing the thoughts and desire of our whole people, we highly appreciate the excellent activity carried out by the party secretary general and president of the country, Comrade Nicolae Ceausescu, and his decisive role in formulating and implementing Romania's foreign policy; we appreciate his initiatives, proposals, and firm and consistent actions toward disarmament, primarily nuclear disarmament, toward building a better and more just world, and toward protecting people's and nations' supreme right to peace, life, and a free and dignified existence.

The proposals and initiatives of our party and state leader, Comrade Nicolae Ceausescu, regarding the elimination of intermediate-range missiles from Europe and other continents, the elimination of all nuclear weapons and any kind of mass-destruction weapons, his appeal for achieving a general accord on banning nuclear weapons tests, for halting the militarization of outer space, and for creating zones free from nuclear and chemical weapons in the Balkans, Northern and Central Europe, and in other parts of the world are known and appreciated today by all peoples struggling for peace in all parts of the globe.

Of exceptional importance, and enjoying great international response, are Comrade Nicolae Ceausescu's ideas and initiatives in the direction of substantially reducing conventional weapons, military troops and budgets, eliminating military bases from the territories of other countries, withdrawing troops within the boundary of national borders, halting any kind of military maneuvers, including naval maneuvers in international waters, determinedly rejecting any attempt to resort to the use or threat of force, establishing relations between states on the principles of mutual respect, independence and sovereignty, and noninterference in the domestic affairs of other countries, and in the direction of promoting, by all means, a spirit of understanding and trust in the world.

Understanding the overwhelming importance of these initiatives for safeguarding human life and civilization, we pledge to act with great determination in the direction of promoting the noble goals of the International Year of Peace and the Declaration-Appeal of the Socialist Democracy and Unity Front from the SR of Romania to halt the current dangerous trend of international events, to eliminate the nuclear danger, to achieve firm measures for disarmament, and to defend the peaceful future of the whole of mankind in order to bring about a turning point in the direction of resuming the policy of detente, disarmament, and understanding.

Esteemed comrades deputies, on behalf of the government, permit me to assure the Grand National Assembly and you, much beloved and esteemed comrade secretary general, that we will take very determined action in a revolutionary spirit to implement the overall domestic and foreign policy promoted by our party and state, to commendably fulfill the 1986 plan, and to resolutely implement the great targets put forward by the 13th RCP Congress.

/8918

CSO: 2700/138

NEW LEATHER SUBSTITUTE PRODUCED

[Editorial Report] Bucharest INDUSTRIA USOARA in Romanian No 8, Aug 1985 on pp 348-349 carries an article by Agripina Fica on a new leather substitute named Cersin. The new leather substitute, made in Romania, is used in the shoe industry for shoe uppers for cold seasons. It is described as having a good resistance to cold weather and good hygienic properties. Moreover, it has reduced polymer content and the manufacturing process has a lower electric power consumption. The article presents various uses of Cersin in the shoe industry and its manufacturing technology.

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CSO: 2700/142

STEPS TOWARD INTEGRATION, CHANGES IN ECONOMIC CHAMBER

[Editorial Report] Belgrade KOMUNIST in Serbo-Croatian 4 Apr 86 pp 18-19 . . contains statements by Nikola Filipovic, president of the Yugoslav Economic Chamber (PKJ) on the concept of the new draft law for the PKJ which seeks to make this chamber-of-commerce body a more effective integrative force in the Yugoslav economy, but at the same time "less an appendage of the state and more directly linked to associated labor." Under the new law the PKJ would promote the practice of enterprise association as a "chain, a complete production process linking raw materials, production of the final product, and export..." The realities of life, he said, have driven us to this new system which could go into effect as soon as next year. What is most important, the new association would link economic branches, making it less possible for a member to remove himself from the chain, enter into illegal price agreements, and seek his own system of independent operation. He noted that the metals industry has already been forced by reality to jointly discuss production programs, exports, and the development of new capacities.

The PKJ, Filipovic said, at the same time must be freed of dealing with such questions as import permits, certification, and quotas, and concern itself rather with joint export programs, studies of the foreign market, organization of import/export business, formation of consortia, etc.

Although the PKJ, he said, has done much to help create a unified Yugoslav market, there is still great encapsulation within republic and provincial borders in regard to the circulation of goods and--"what is most important"--the circulation of capital. "Only 0.29 percent of capital accumulation circulates across republic or provincial borders.... If we could succeed in providing this circulation of capital through association [of enterprises, industries], through joint programs of development, we would break down these boundaries. This is one of the most dominant questions in this medium-term period. If we do not master this process, we will be in an even worse situation than we are now."

According to the new law, the PKJ would become "a true association of associated labor" and Filipovic urged that it be given the right in the new law to directly submit legislation to the SFRY Assembly. "At present we can only do this through the FEC (Federal Executive Council), which is absurd. It is probable," he said, "that because of this legal position of the PKJ vis-a-vis the Assembly, the idea arose about forming a Chamber of Associated

Labor in the SFRY Assembly...." But although the formation of such a chamber would perhaps be better than the present situation, Filipovic said if the PKJ obtained the right to directly submit draft laws and legal proposals to the Assembly, "if we divest the state and states of their decisive interference in the sphere of expanded reproduction and general economic relations, if associated labor could be expressed through its association, the PKJ, there would be no need for a Chamber of Associated Labor."

In regard to integrated production, the KOMUNIST interviewer said: "It is well known that we can only operate on the world market with quality and joint 'Jugo-products.' When this 5-year plan was made, it first spoke of 45 'Jugo programs,' later 16, and now even less." Filipovic replied that determination of these programs is finally drawing to a close, that the "Zastava" program of auto production and export was an initial model for these, and that four or five "good joint programs exist in the metals industry," as well as a good program in the rubber industry, in addition to a few others.

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CSO: 2800/233

CORN, WHEAT PROCUREMENT, NEEDS, IMPORTS

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9 Apr 86 p 5

[Excerpts] In 1985 2,425,874 tons of wheat were bought up for the market, or about 14.2 percent less than in 1984. In addition, 235,088 tons were bought up for seed, compared to 239,435 tons in 1984. Also, the harvest was 733,000 tons, or 13.1 percent, lower in 1985 compared to 1984. The market consumption of wheat amounting to about 3,250,000 tons for the 1985/86 economic year is a little more than that in 1984. The shortfall in wheat until the new harvest is calculated at 250,000 tons which will have to be met through imports and reserve draw-downs; these needs have not been covered in Bosnia-Hercegovina, Montenegro, Serbia proper, and Kosovo. The largest deficit is in Bosnia-Hercegovina. From July through December 1985, 58,147 tons of wheat were imported at a cost of 1.4 billion dinars. In January 1986 an additional 4,772 tons were imported for about 150 million dinars, and permission was given to import about 48,000 tons in the next months.

In regard to corn, 1985 procurement was very good, amounting to 3,275,625 tons, compared to 2,849,925 tons in 1984, or about 15 percent more. Almost 35 percent of the amount procured was from the 1984 corn harvest. The increased 1985 procurement was satisfactory to meet domestic needs; and in addition, 783,420 tons have been exported in January and February this year and an additional 350,570 tons are expected to be exported by the end of this year, at an average export price of about \$113 per ton. All exports are made on barter terms. For the first time since the war it is possible to buy up significant amounts for reserve, namely, about 200,000 tons of corn thus far.

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CSO: 2800/233

BRIEFS

LOAN FOR KOSOVO JOBS--The Kosovo Assembly has adopted a law on a loan for providing additional funds for employment which calls for the collection of 13 billion dinars to open up new jobs. Employees in Kosovo, agricultural workers, pensioners, and work collectives will be able to subscribe to the public loan between 1 May and 30 July [1986] and workers temporarily working abroad can subscribe up to the end of this year. Payment can be made in one lump sum or in a maximum of 16 installments, beginning after 1 August 1986. The law also provides for the possibility of subscribing to the loan without repayment, or as a gift. The loan will begin to be repaid after 1 January 1991 and carries an annual interest rate of 10 percent. [Text] [Belgrade BORBA in Serbo Croatian 21 Mar 86 p 1] /9599

AGRICULTURAL EXPORT PLANS--According to the ambitious plans for agricultural export this year, exports are to increase 13 percent, and reach a value of \$1.17 billion (\$846,789,000 to the convertible market and \$323,431,000 to the clearing-account market). The anticipated growth depends largely on increasing exports of livestock and livestock products (from \$385 million last year to \$430 million this year, or by 12 percent), fruit, vegetables, and processed fruit and vegetables by 14 percent (\$229.8 million worth), and grains and grain products by 20 percent (\$194 million worth). In addition, exports of sugar and sugar products are planned to increase 38 percent, wine and alcoholic beverages 26 percent, and fish and processed seafood 22 percent. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 11 Apr 86 p 1] /9599

WINE EXPORTS--In 1985 Yugoslavia exported 137,000 tons of wine for a total of \$51 million (\$37 million to the convertible currency area and \$14 million to the clearing market). These amounts represented an increase of 4.3 percent in value to the convertible market and a decrease of 29.3 percent in value to the clearing account market. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 11 Apr 86 p 3] /9599

CSO: 2800/233

CHNOUPEK ON 'AUSTRIAN REACTIONARY CIRCLES', U.S. PRESENCE

AU261642 Vienna VOLKSSTIMME in German 26 Mar 86 p 4

[Dispatch by special correspondent Otto Janecek from Prague on 17th CPCZ Congress: "A Special Chapter"]

[Text] A special chapter in Gustav Husak's account is devoted to the CSSR's relations with Austria. It is welcomed that these relations have recently normalized, although this normalization process was repeatedly "disturbed by reactionary Austrian circles through unleashing anti-Czechoslovak campaigns."

CSSR Foreign Minister Chnoupek went extensively into this question at a press conference held on the periphery of the party congress. When the ORF [Austrian Radio and Television Service] representative wanted to know who these "reactionary Austrian circles" are, Chnoupek said:

"You see, Austria was one of the last countries with which we were able to establish fully normalized relations in Europe. Until the 1970's diplomatic relations were at a level we had--let us say--with Malta. And whenever the situation improved, there were mines, again and again.

"They were laid by representatives of those circles regarding whom we sometimes get the feeling that they do not want to put up even with as much as the existence of the CSSR. We had to start from scratch over and over again. It was as if masons were building a house, and whenever they had laid a few rows of bricks, someone came along and overthrew the whole thing.

"Do you think it is normal for the presidents of two neighboring countries to visit one another only after decades?

"We have always felt that there are in Austria forces which deliberately misused problems arising logically between two neighboring countries--not only countries with different social systems--such as family reunification, exchange of persons, border problems, and so forth. Again there were always circles which threw a spoke in the wheel. In the mass media, too, even in the biggest mass media. We have also often been told in Vienna at a high level that such circles do exist, and that one is anything but happy over this in Vienna.

"The accountability report lists the principles of our foreign policy regarding the capitalist countries. We want to deepen the dialogue. We want to make further progress in the field of trade. We want an exchange of scientific-technical findings, and we want humanitarian cooperation....

"We would also like to exchange journalists with Austria. Naturally we do not expect Austrian journalists to have nothing but praise for us. But we do expect a minimum of objectivity. One cannot see the CSSR like a cheese, of which one only sees the holes--and never anything positive."

Chnoupek on the events off the Libyan coast: "All this must be seen within the framework of a policy that has started after Geneva. There is, for example, the demand for a reduction of socialist countries' delegations to the United Nations in New York--why at this particular time?

"Or the imposing of travel restrictions for diplomats from socialist countries. Naturally we have to answer with countermeasures. But why is this happening at this particular time?

"Or the military provocations in the Mediterranean, carried out by the U.S. Navy. Just imagine if someone were to dispatch such a fleet to the Caribbean and cruise off New Orleans. Well, it is easy to imagine what would happen in this case. But the U.S. Navy provokes... This is a very dangerous development which is causing us grave concern, and which we most resolutely condemn."

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CSO: 2600/290

EXPOSE ON 'NATIONAL ENDOWMENT FOR DEMOCRACY' IN PZPR DAILY

Warsaw TRYBUNA LUDU in Polish 17 Mar 86 p 6

[Article by Zygmunt Broniarek: "Endowment for Interference"]

[Text] In the center of Washington, across from the elegant Madison Hotel, are the offices of the National Endowment for Democracy (NED). The beginnings of this institution go back to the speech made by President Reagan to the British Parliament on 8 June 1982, at which time the man occupying the White House relegated socialism to the "scrapheap of history." But the speech also contained something else: An appeal to "support democracy abroad."

The appeal did not go unheeded. A group of American notables, including Congressman Dante F. Fascell, present chairman of the House Foreign Affairs Committee, and Lane Kirkland, AFL-CIO president, made a preliminary study on the subject of creating an institution which would put President Reagan's recommendation into effect. In November 1983, Congress enacted a bill setting up a National Endowment for Democracy and allocated it \$18 million for the 1984 fiscal year. The endowment is officially described as a "private organization for public service." However, the endowment itself leaves not the slightest doubt as to its nonprivate character.

In its report for 1985, we find the following statement: "The National Endowment for Democracy was established in conjunction (literally!) with a US Information Agency (USIA) subsidy by congressional mandate." But the USIA is an institution of the US government. The endowment's budget for the fiscal year ending 30 September 1985 was \$18,498,601, of which the USIA subsidy was \$18,497,525. The remainder, i.e., \$1,076, came from voluntary contributions made by individuals and organizations interested in the endowment. Furthermore, on p 56 of the report, in the subsection "Income Tax," we find the following entry: "The endowment is exempt from income tax in accordance with Article 501/C/3 of the Outside Income Code (Tax) and has qualified as a nonprivate organization in accordance with Article 509/A."

But why, in that part of the report read by greater numbers of people, is mention made of the private character of the endowment, and something entirely different appears in the part intended for a smaller group of readers? This question is answered in the report of the endowment's president, Carl Gershman (former advisor to the former US ambassador to the UN, Mrs Jeane Kirkpatrick,

known for her ultraconservative views). Gershman writes: "As a private bipartisan organization, the endowment's programs have a credibility abroad which US government programs sometimes lack." In other words, camouflage is being employed.

The entirely nonprivate character of the NED is apparent also in the makeup of its board of directors, which includes both public officials and private individuals. The former include, in addition to the already mentioned Congressman Fascell, the Republican US senator from the state of Utah, Orrin G. Hatch; Secretary of Labor William E. Brock; and the chairman of the National Republican Party Committee, Frank J. Fahrenkopf. Among the latter are the former Vice-President of the United States, Walter F. Mondale (now an attorney in private practice) and Henry A. Kissinger.

The nature of the endowment's operations was best described by its Chairman of the Board of Directors, John Richardson, although I am not sure he fully realized the significance of the words he used. He writes: Our assignment is delicate and challenging." "Delicate!" Certainly, if the mechanism for executing this assignment cannot operate out in the open, although the endowment publishes general information on this subject. However, pursuit of the goal, which is to combat the progressive strivings of mankind, and particularly to combat the socialist countries, is an altogether indelicate process. Here the methods employed have nothing in common with delicacy.

Obviously Poland is one of the states against which the operations of the NED are directed. If I say "obviously," it is not just because for years we have been the target of various types of propaganda campaigns on the part of the United States, but also because the endowment's report says so outright. "In Eastern Europe," we read in the report, "Poland continues to be high on the list of priorities."

What is striking is the complete lack of embarrassment in describing the endowment's activities as regards Poland. The endowment ignores the fact that Poland is a sovereign state, that international law and the UN charter prohibit interference in the internal affairs of other states, that Poland, just as all other countries, including the United States, is guided by its own laws as to what can or cannot be done. For the endowment, which, we repeat, is funded practically entirely by a US government agency, none of this exists. The report states: "Through the Free Trade Union Institute (FTUI) (an organization established by the International Federation of Trade Unions and the AFL-CIO), assistance is given in gathering and translating underground "Solidarity" publications and disseminating them among Western trade unions and human rights organizations. In addition to external assistance, FTUI gives support to the "Solidarity" Foreign Office (which has its headquarters in Brussels) in its efforts to give direct support to the "Solidarity" trade union movement inside Poland. This assistance, to a large degree, finances the delegatized publishing operations of "Solidarity", including periodicals appearing in the underground and reaching millions of readers. In addition to FTUI's help to "Solidarity," the endowment gives financial support to many small, independent publishing houses in Poland."

Let us ignore this "millions of readers" number, which the endowment bases on data supplied to it by Mr Milewski from the Brussels "Solidarity" office, an office which has a natural tendency--financially inspired--to inflate certain figures. What is most important is the fact that the NED with total unconcern, even pride, speaks of its interference in Poland's internal affairs.

But in doing so, it admits to the existence of certain indisputable facts. First of all, that without the financial assistance of the West, it would be impossible for "Solidarity" to conduct its illegal activities.

The endowment also gives support to the Polish Legal Defense Fund and the Independent Culture Committee. All of this is intended to strengthen the Polish citizenry (this sounds like "underground state") and create the "initial conditions for the appearance of free and democratic institutions" in Poland.

What do the above items look like from the financial standpoint? Page 38 of the report contains information on funds for two "Solidarity" organizations in the West: The Brussels office and the New York-based Support for Solidarity Committee. Together, these funds totaled \$540,000. As regards the New York office, they were to be used to translate and publish documents pertaining to workers' rights and human rights. "In addition," the report states, "support is given to individual political refugees in the West, and to the "Solidarity" Coordination Office Abroad, with headquarters in Brussels, i.e., the outside representative of the "Solidarity" movement in the field of gathering information about this movement and making it possible (for the Brussels office) to communicate with "Solidarity" members inside Poland."

Here we have, although stated generally, a list of the activities which NED finances in our country through various offices and committees in the West.

That is not all. The endowment gave the Aurora Foundation [not further identified] \$50,000 for the Polish Legal Defense Fund and \$6,000 to publish "Literary Reports." And another American organization, Freedom House, received \$10,000 from the NED for the Independent Culture Committee in Poland.

These sums are only part of the money flowing through various channels into Poland for illegal organizations. As to others, we know only that they exist. And all of them are being used for just one purpose: To make it more difficult for Poland to overcome the crisis and build normal living conditions in our country.

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CSO: 2600/373

CZYREK ON PZPR CAMPAIGN FOR 'SOCIALIST CONSCIOUSNESS'

PM211810 Wroclaw GAZETA ROBOTNICZA in Polish 21 Mar 86 pp 1, 10

[Interview with PZPR Politburo member and Central Committee Secretary Jozef Czyrek by Jozef Bartoszewski; date, place not given]

[Text] [Bartoszewski] The PZPR draft program, which is at present under discussion, essentially proposes methods of the struggle for socialist consciousness in our society. If that struggle is to be won, certain conditions must be met. One of those is an adequate level of social thought, including in particular Marxist thought.

[Czyrek] The document under discussion is a program of a struggle for socialist transformations, and within these also transformations in social consciousness. Marxism teaches us, after all, that consciousness cannot be transformed on a large scale if the working conditions and living standards of the masses are not transformed too. The postulate of creating reality through the social sciences is equally relevant to relations of production, collectivization of power, development of legislation, and the building of a system of moral values. In all these fields we have extensive, and by no means outdated achievements of our own. Unfortunately, we often forget about these. Moreover, it would be a mistake to reduce it exclusively to Marxian thought. Professor Kotarbinski's praxeology, or Professor Ossowski's ethics are also a part of our intellectual potential. I doubt whether we have as yet fully explored the Marxian-economic thought of Professors Lange and Kalecki.

Secondly, the standard of contemporary Polish learning is high, and in many fields very high indeed. This applies also to the sphere of Marxian science. For example, the creation of teams of party academics, attached to the Central Committee and representing virtually every field of the social sciences, was a move of great significance. They constitute a body of men of considerable consequence, capable of getting a great many things done. Thirdly, we are not alone in the world. We can and we must partake much more freely of the academic achievement of the fraternal socialist countries, not in order to adapt it mechanically to our own, often different circumstances and requirements, but, for example, to make good use of the methodology, to draw conclusions from comparisons, and to become intellectually richer.

The fourth and final point is that we are under an obligation to back the younger and the youngest generations. It is not true that our young academic intelligentsia is ensnared by antisocialist theories, philosophical idealism, or Western-oriented idolatry. Like any part of the young generation that has been intellectually awakened, they are searching for their own way, they are tormented by doubts, they sometimes go astray, and sometimes they are swayed by the illusion of discovering hitherto unknown truths. The strategy that should be attempted first and foremost by our mature party academics lies in showing these young people a convincing view of Marxism as a great intellectual opportunity, an intellectually attractive scientific vista.

I have been talking about science here, because you formulated your question in that way. I could give you a similar answer with regard to the arts, which influence people's consciousness to no lesser extent.

All this does not in any way alter the truth that the struggle for social consciousness is a constant, laborious grappling with relics of the past, with stereotypes, with ideologically and politically alien influences, and also with intellectual indolence and the influence of a "pictorial civilization." And no victories in that struggle remain victories for ever, at least not as long as the world stays divided.

[Bartoszewski] Chapter 8 of the draft program speaks of methods of raising the party's ideological standard and consolidating its unity. Hence the training programs, the proper intraparty information system, the "optimal working conditions for lecturers and instructors," the intraparty debate, and the dialogue with society. There are some who believe that this package is too modest, that it has been around for too long, and has little effect.

[Czyrek] It all depends on how you interpret that package. If you see it in formal, bureaucratic, statistical terms, then you can hardly expect it to be effective. Let us, then, consider its individual elements: training, coupled with information, that is, incessant political and ideological rearmament of party members; debate, that is, constant intellectual activity within the party; dialogue with society, that is, communicating with people, dispersing their doubts, winning nonparty people for the socialist cause. Is all that really little, or modest?

Our lecturers, lecturers, and instructors have as yet not managed to break a certain stereotype: instead of provoking people to think with them, they "grant" their knowledge to their audiences. Such attitude fails to stand the test even with schoolchildren, not to mention adult people. Of course, it is the easiest and "safest" of methods: simply to tell people what one knows; if one knows little, one has the more reason for avoiding any confrontation with what the listeners themselves think. It is better to have lecturers who are perhaps less thoroughly prepared, but more open. We must remember that party training is not an art pursued for its own sake. The trainees want to see the practical applicability of their newly gained knowledge to social, political, and professional realities. And they are right. We have not yet succeeded in working out that necessary transposition between party training and the actual practice.

[Bartoszewski] Let us now talk about the intraparty debate.

[Czyrek] How can anyone claim that we have been "practising the intraparty debate for many years"? On the contrary, we have not had any debate within the party for many years. A whole new party generation has grown up with no idea of how to debate anything at all. That made it the more difficult for us to reach some mutual understanding during the preparatory stage before the Ninth Congress, and indeed after the congress as well. The fact that, in true Polish fashion, everybody "knows what he knows" does not make for real debate. What about arguments? What about the ability to persuade others to accept your reasons and the ability to accept their reason? Debate means joint search, advancement of the issue in question, and working out optimal solutions.

We provoked a real intellectual stir throughout the party when we were preparing the declaration "What We Fight For, What We Aim At." That was the first ideological debate within the party for very many years. Let us hope that we can recreate its widespread and open character now, as we discuss the draft program. That is why the Central Committee has repeatedly stressed that it should be elaborated by the party as a whole, with the widest public circles involved.

Judicious instruction, which provides the foundation and the skill of the debate, constitutes a method of conducting a party discourse with society. First we must study and understand the party line, its stands on various issues, and then we must be able to communicate it, justify it, and defend it. So little and yet so very much.

Those who, as you say, think that the "package" is too modest, usually believe that it can be enhanced by the introduction of video cassettes or television games. I do not deny the importance of modern means of communication. But they cannot take the place of the message that people have for one another, cannot replace the political ethic which we must constantly strive to improve.

[Bartoszewski] The program to be adopted by the 10th Congress will span more than 20 years. This means that it will be also up to the future generations to continue to implement it. But we know how hard it is to establish the habit of rational thinking, or implant secular attitudes in the classroom, college, or university. The 24th Central Committee Plenum exposed these maladies, and formulated long-term methods of changing this state of affairs. But that will take time, and the draft program states that the time is short. How, then, can these two qualifiers of our reality be reconciled?

[Czyrek] It is equally true that our intended tasks require time and that we do not have the time, and this applies not only to the sphere of social consciousness. It is similar with the question of a technical and technological restoration of our production potential, health care, protection of the natural environment, and advancement of science and civilization. The situation is by no means as unique as some very young people might imagine. We found ourselves confronted with the same dilemma immediately after the war,

and the circumstances were certainly more difficult then. It was no different when we were entering the era of great industrialization. It would appear that such is the destiny of a country striving to leave centuries of backwardness behind.

I am not certain, however, whether you are right in judging our youngest generation so severely. The young people are indeed growing up in difficult times--difficult in both material and political sense--but that does not yet mean that we can make assumptions about them. Please note that it was no coincidence that the generation which gave us most trouble politically was that which in its youth, in the past decade, we enticed--as a result of our own voluntarism--with mirages of spontaneously expanding consumption feeding on borrowed money, foreign licenses, and alien models. The mirages dissolved, and what remains was a sense of disappointment, depression, and frustration--in other words, a state of mind that does not encourage rational attitudes. The majority of today's 16- and 18-year-olds is hardly likely to grow up pampered in any way, nor are they overwhelmed with promises of an easy life.

[Bartoszewski] All the same, a system of education is not changed overnight.

[Czyrek] All in all, none of these issues are likely to benefit from haste. But it would be wrong to see education as static. Teachers are also gradually beginning to recover from the effects of the ideological fumes they had succumbed to a few years ago. Attitudes are becoming more rational again, not without party influence. We saw how the idea of clericalization of schools misfired, not even as a result of any repressive action, since we hardly applied any at all.

I sometimes get the impression that the way we see the program currently being prepared is that nothing is supposed to be happening for the whole 20 years, and then suddenly ready results will materialize out of nowhere. But both the implementation of the program and its consequences are gradual processes, and gradual changes, whose direction will be determined by the document which we are now preparing. The main thing is that we should consistently keep to the lines we have adopted, arrange the changes into a logical sequence of development, and not lose sight of our goals. Then we will be able to devote as much time to them as their realization requires, and we will avoid wasting that precious time.

[Bartoszewski] One sees a certain anxiety arising here and there for our social provisions. And the reason for it? The economic reform means also competitiveness. And that can have diverse consequences in the sphere of social policy.

[Czyrek] The feeling that our social provisions are under threat, which is indeed characteristic of certain groups in our society, has its sources in the crisis-generated phenomena which have not yet been fully conquered, or in the consequences the profound economic collapse.

The overwhelming majority of our people do not remember the capitalist days, nor do they realize how the social policy of a socialist state eases the burden of inflation, in particular for the weakest social groups.

This has much to do with the concept of economic "competitiveness" inherent in the economic reform. Competition between enterprises as to the quality, innovation factor, and low price of their manufactured goods can only promote market improvement, that is, create better chances that our needs will be met. At the same time we are not threatened with an apocalyptic vision of whole industries or production sectors going bankrupt. If there is anything to worry about, it is rather the habitual sluggishness in getting rid of enterprises which are unprofitable and technologically obsolete, and which consume disproportionate amounts of materials and energy.

In our system, "bankruptcy" of an enterprise cannot be equated with casting people out into the street and creating the calamity of unemployment. Our labor market has a large absorption capacity, and demographic projections for the immediate future do not forecast an excess of available manpower. The problem lies in rational utilization of the existing manpower and its distribution among particular industries and enterprises.

[Bartoszewski] The controversy over whether it is preferable to favor individual consumption is still very much alive. What is your view on this issue, Comrade Secretary?

[Czyrek] The main problem lies, in fact, in increasing economic effectiveness and accelerating economic development, which should result in creating more favorable conditions for the realization of our social goals. It is, of course, essential to combine harmoniously an increase in personal incomes of the population with an increase in collective consumption fund. The aim is to create conditions that would facilitate the meeting of individual requirements and at the same time to level out social inequalities through a system of educational, medical, and other provisions.

The provision of conditions that would allow people to realize their aspirations to better living standards through honest and conscientious work will be of no mean importance in the stimulation of our socioeconomic growth. This calls for a real link between people's personal incomes and the labor they contribute. At the same time we must remember those who suffer hardship and we must safeguard at least a minimum level of living standards.

The most important thing here is to maintain the correct proportions so that development could be stimulated instead of everybody's living standards being leveled downward.

[Bartoszewski] Comrade Secretary, you were a member of the PZPR delegation to the 27th CPSU Congress. What general conclusions are there to be drawn from the plentiful achievements of the Soviet party--conclusions that could be utilized in preparing the 10th PZPR Congress?

[Czyrek] The 27th CPSU Congress was undoubtedly of historic significance not only for the Soviet Union but also for the other socialist countries and for the whole communist movement. It was characterized by a creative, Leninist attitude to the current problems of the Soviet Union's development and to contemporary world events. One was struck by the new style and atmosphere of the proceedings, the objective, principled criticism, the emphasis placed on truthfulness, the open indication of all errors and shortcomings, the rejection of everything that tends to pull backward. The Soviet party came out with a bold, ambitious project of accelerating the pace of socioeconomic development with the help of scientific and technical advancement, updated method of work and management organization, and striving for the highest labor productivity results in the world. The central point of this strategy is concern for the people and for raising people's living standards, and aiming for a new standard in the advancement of the Soviet society. The 27th CPSU Congress debates were suffused with a determination to reinforce the bonds linking the CPSU with the working class and the whole nation. The strategy adopted at the congress is not only the consequence of the stand taken by the party but also an expression of the views and the determination of the working people throughout the Soviet Union.

There is no doubt that the achievements of the 27th CPSU Congress are of tremendous significance--both practical, for a further improvement of the practice of socialist construction, and theoretical, for the continuing development of Marxism-Leninism. In their essence they constitute an announcement of a new, higher stage in the development of the countries of real socialism. That mighty current of transformations will provide a valuable source of inspiration for our party. We are now embarking on a comprehensive analysis of the congress material to be able to make full use of its momentous content in the preparation for the 10th Congress of our party.

Although the USSR is at the stage of developing the advanced socialism, and Poland at the stage of building the foundations of that system, nevertheless we both face very similar tasks. The direction adopted at the 27th CPSU Congress demonstrates that our party line, the line of socialist renewal, is contained in the mainstream of socialist development. It also suggests that we should go to the 10th Congress under the motto of further development of that line and also determined to undertake the task of speeding up the country's socioeconomic development. How do we attain such acceleration without slipping back into voluntarism? It is certain that consistent implementation of the principles of economic reform, the achievement of more rapid progress in the field of science and technology, and the full involvement of the working people in every post are essential. We can also benefit greatly from the experience of the Soviet communists by making use of solutions which speed up the development of the Soviet economy and release the initiative and all the creative forces of society.

A faster development of the Soviet Union will constitute a great contribution to the strengthening of the powers and capacities of our entire community. After all, the Soviet economy represents two-thirds of its total potential. It is also a great opportunity for our economy, a considerable factor in

speeding up its development. This requires an intensification of our efforts in extending cooperation with the mighty Soviet economy, making a wider use of its achievements in science and technology, and embarking on new, higher forms of collaboration in every field.

Of great consequence is also the issue of our country's active participation in the struggle for the realization of the strategy, adopted at the 27th CPSU Congress, of strengthening peace in the world and establishing a universal system of international security, and in particular the realization of Mikhail Gorbachev's plan for the elimination of weapons of mass destruction.

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CSO: 2600/379

ORZECZOWSKI ON INTERNATIONAL YEAR OF PEACE

LD212301 Warsaw Domestic Service in Polish 1100 GMT 20 Apr 86

[Text] In its series "Meeting of the Week," the ZOLNIERZ POLSKI publishes an interview with Marian Orzechowski in its latest edition.

Since the beginning of the new year, Poland has been actively participating in international life, particularly in actions to strengthen peace. It is significant that the celebrations of the UN's international Year of Peace have been inaugurated in our country. Marian Orzechowski: This is a valid observation, but it generates a deeper thought. Issues of peace and security have held a central place in the whole postwar development of Polish political thought. They are the background for all our initiatives in the international arena. This approach is dictated by the sum of our historic experiences. They give us the moral right and duty to warn but above all, to search for solutions guaranteeing a secure life, based on mutual trust, cooperation, and equality. It is therefore obvious that we attach great importance to the celebration of the international Year of Peace, instituted by the United Nations. We regard the acceptance of Poland's proposal that it should begin with the Warsaw Congress of Intellectuals in Defense of a peaceful future for the world as an expression of the international community's respect and acclaim for the contribution and achievements of our country to the cause of the struggle for peace.

ZOLNIERZ POLSKI: Will a fundamental change for the better in East-West relations, much awaited for by millions of people in the whole world, occur in the international Year of Peace? What are the chances of the world entering the third millennium free from the threat of nuclear destruction, which is what the Soviet Union and the other socialist states desire?

Marian Orzechowski: Despite the complexity of the situation, it would be a mistake to draw the conclusion from the present tensions and threats, particularly from the attempts to intensify the politics of confrontation and the arms race by aggressive imperialist circles, of the world's unavoidable slide toward nuclear destruction. The imperialism of America and the NATO states is not the only element defining the development of the international situation. The Soviet Union and the states of the socialist community, the international communist and worker's movement, liberated countries, and mass democratic movements are an enormous force capable of opposing the politics of

confrontation and of actively influencing the shaping and consolidation of positive trends in the international arena. This fully justifies the basic direction of Poland and her foreign policy, working in the cause of maintaining détente and dialogue between East and West; in the cause of strengthening the security of states, of disarmament and the development of many-sided, far-reaching international cooperation. All this is underlined by Marian Orzechowski in an interview with a journalist of ZOLNIERZ POLSKI.

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CSO: 2600/379

ORZECZOWSKI STATEMENT BEFORE TRIP TO CSCE SESSION

LD140739 Warsaw PAP in English 0505 GMT 14 Apr 86

[Text] Warsaw, April 13: "The Stockholm Conference on Confidence Building Means, Security and Disarmament in Europe is an important forum of international negotiations which is constantly in the focus of interest for politicians and world opinion," Polish Foreign Minister Marian Orzechowski told PAP pending his expected trip to Stockholm this week.

He said that Poland had had an active role both in the starting of the conference in 1984 as well as the undertakings that followed.

"The conference is also a very important part of the all-European dialogue started in Helsinki 10 years ago and so significant for the life of the continent.

"This is the reason why we wish to present there the Polish view on the state of its works and future of the whole CSCE process," he said, adding that this would be one aspect of his appearance at the opening meeting of the 10th session of the conference on April 15.

"The other is connected with a recent meeting of the foreign ministerial committee of the Warsaw Treaty states whose agenda included discussion of the Stockholm conference and the CSCE process.

"The ministers were firmly in favour of speeding up the work at the Stockholm conference and of further constructive development of the CSCE process.

"As the host of the Warsaw meeting, I want to relate to the Stockholm forum important decisions which we have made together in Warsaw, and point out the firm will of the Warsaw Treaty states to cooperate with all the realistically-minded states and political forces in building a safe Europe.

"Constructive measures in the field of international security are of particular value in the present strained situation. Therefore, we believe that work should be accelerated in Stockholm so that in a possibly short time it could yield significant results which would increase mutual confidence in Europe.

"The success of the conference lies in the interest of all the European states. Poland and the other socialist states continue to be prepared to contribute to the search for acceptable solutions in Stockholm," the minister said.

SUMMARY OF ORZECZOWSKI SPEECH IN STOCKHOLM

LD152259 Warsaw PAP in English 1731 GMT 15 Apr 86

["Orzechowski's Speech Delivered in Stockholm (Abridged)"--PAP headline]

[Text] Stockholm, April 15: Following is the summary of the speech delivered by Poland's foreign minister, Marian Orzechowski, at the Stockholm conference plenary session today:

The European and international situation is still marked, unfortunately, by tension. The arms race continues. The danger of its proliferation into outer space is aggravating. The striving to disturb the approximate military-strategic balance of forces shaped between the East and West persists. The United States continues nuclear explosions and the policy of military confrontation in the Mediterranean. Local conflicts destabilize whole regions of the world, and create a potential threat to the world peace. Attempts to exert economic pressure in order to achieve political ends impede international cooperation.

Hence it is with all the greater hope that we see prospects of halting the dangerous tendencies and of gradually improving the situation. The prospects are related to the Soviet-American dialogue, resumed on top level, with the USSR-U.S. disarmament talks held in Geneva.

At the recent session of the Committee of Foreign Ministers of Warsaw Treaty member states we made a detailed analysis of the international situation and considered concrete ways of its improvement.

We are convinced about the need for fast and effective actions, including ones to be undertaken at the Stockholm conference, which would improve the East-West relations and, what is most important, would halt the arms race. We gave our firm support to the Soviet proposals of January 15, 1986, which aim in this direction. We perceive in them a real and concrete programme for halting the arms race, for the full elimination of nuclear arms till the end of the present century.

We expressed our readiness to cooperate with all states and forces favouring the consolidation of peace, detente, and disarmament.

We underlined that the basic condition to maintain peace on our continent and to create climate for mutually beneficial cooperation is the inviolability of the territorial and political realities, shaped in result to the Second World War and the post-war development in Europe.

In the nuclear era, the indivisibility of the security of European states becomes an objective fact, from the comprehension of which stems the appeal of the Warsaw Treaty member states, issued a week ago to all the European states, the United States, and Canada, to undertake energetic actions to carry into life the proposals to create nuclear weapon-free zones on European continent. If this substantial step meets with a positive reaction of other states, the nuclear threat would decrease.

Poland's foreign policy is founded on her alliance with the USSR and other Warsaw Treaty member states, based on the community of ideology and goals. It is the basic condition of their international security. Poland holds a firm and permanent position in that alliance.

Simultaneously, Poland is a country open to wide and mutually beneficial international cooperation, based on the principles of sovereign equality and non-interference into internal affairs.

We focus special attention on European issues. Its practical expression is our activity within the framework of the process of the Conference on Security and Cooperation in Europe, commenced 10 years ago with a considerable Polish contribution.

The time that elapsed from the moment of signing the Final Act confirmed that the CSCE process has become a lasting element stabilizing the situation in Europe.

Unfortunately, some states approach the realization of the Final Act in a selective way. They undertake actions incompatible with its provisions, aimed at political isolation of partners, breaking economic ties, limiting scientific, cultural and interpersonal contacts, interfering into internal affairs of sovereign states. Such activities brought a measurable harm to the CSCE process.

The Madrid meeting's decision on expanding the CSCE to cover issues of military detente was received by Poland with deep satisfaction. We deem the convocation of the Stockholm conference to be one of the more important and optimistic developments in the CSCE process.

For more than 2 years now the conference has been working on finding ways of consolidating confidence and security, and, hence, reducing the level of military confrontation in Europe.

Negotiations in good faith must be based, however, on an honest adherence to three conditions:

First, the participating states should refrain from activities incompatible with the goals of the conference.

Second, security interests of all participants should be taken into consideration.

Third, the agreement should be reached by means of a gradual approximation of stands through mutual compromise.

Haste never is a good adviser. Today, it must be said, however: very little time has been left. Taking into consideration the complicated system of work, based on the principles of consensus, and the delicate matter of negotiations, only with maximum efforts and good will on the part of all the participants the elaboration of the agreement before the opening of the Vienna CSCE meeting will be possible.

The Warsaw Treaty states, while submitting their proposals at the present stage of work, are eagerly seeking possibilities of bringing the stands closer. Similar approach can be noticed on the part of neutral and nonaligned states. Unfortunately, the remaining CSCE states have failed to show the necessary readiness for compromise so far.

We firmly come out in favor of speeding up the work in Stockholm. The principal agreement should be reached before the end of the 11th session. The last, short 12th session should be mainly devoted to editorial and technical matters.

Confidence and security building measures are a new category of international agreements. The implementation of the hitherto measures and the elaboration of new ones must be based on a permanent foundation, that is, the development of the principle of non-use of force.

Speaking today of the need to make a general "leap ahead" in the sphere of confidence and security building measures, it is with pondering over what it could look like and what really lies within the capabilities of contemporary Europe.

I think that the Stockholm conference has the chance to make such a leap. My view is based on the following premises:

First, the agreed measures will apply to entire Europe, along with the sea and air territory. One should remember, that such a concept of Europe could be adopted in the mandate owing to the Soviet stance.

Second, the measures agreed upon in Stockholm will be obligatory, not optional.

Third, new measures, which were not included in the CSCE Final Act, and aim at reducing military activity are being contemplated.

Fourth, there is a real opportunity of lowering the ceilings of military activity, compared with the Final Act's decision, to which the agreed measures are to be applied.

Ahead of us is the Vienna meeting of representatives of CSCE states. Our desire is that it contributes to a universal application of the principles of inter-state relations included in the CSCE Final Act and that it become a new impulse for the entire CSCE process.

The significance we attach to the Vienna meeting is expressed by our proposal to open it at the foreign ministers' level, which was contained in a communique following the Warsaw session of the committee of foreign ministers of states-parties to the Warsaw Treaty.

The matters related to the subject and future of the Stockholm conference will be among topics of the Vienna meeting. We come out in favour of resuming debates by the conference soon after the Vienna meeting ends. A discussion on confidence and security building measures should be continued and further agreements should be worked out. We find it necessary, in accordance with the mandate's provisions, to include disarmament issues in the conference's list of topics.

Before we pass on to further stages, however, we should spare no efforts to close this stage successfully. The success in Stockholm is equally necessary for entire Europe. We should all contribute to achieving it.

That was the prepared text of my address. I presented it to confirm that we wanted to start the 10th, important session of the conference in the spirit of good will, also expressed in the communique of the committee of foreign ministers of states-parties to the Warsaw Treaty.

Unfortunately, the act of state terrorism committed last night, is a glaring example of total violation of all CSCE principles. The U.S. action must be unconditionally condemned as a threat to peace in the Mediterranean, in Europe, and the world over.

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CSO: 2020/120

POLISH LEADERSHIP APPEARANCES FOR 14-20 APRIL

LD210037

[Editorial Report] Polish media monitored at London Bureau have reported the following leadership appearances during the week of 14-20 April:

Warsaw PAP in English at 0510 GMT on 14 April reports that on 13 April "Polish Foreign Minister Marian Orzechowski met trade union and party activists of the Adolf Warski Shipyard in Szczecin." During the meeting, "they reviewed hitherto pre-congress activity of the PUWP organization affiliating over 1,500 PUWP members and candidates, production plans of the Warski Shipyard, problems of the work of the working crew of the Szczecin's biggest plant, upbringing of youth, education, not ignoring such issues as the state's foreign policy.

"The participants pointed to only a fragmentary mention of the future of the shipbuilding industry and too weak a stress laid on housing construction in the PUWP CC guidelines for the 10th PUWP Congress. The debaters also criticized untimely competition of investment projects and incomplete introduction of the economic reform by all factories, which in the case of the Warski Shipyard causes serious complications in enforcing full deliveries on schedule from over 800 cooperating companies. Too formal a character of labour competition, steep price rises, often incomprehensible for the society, and the overgrowth of administration also aroused concern."

Warsaw Domestic Service in Polish at 1700 GMT on 16 April reports that Marian Wozniak, PZPR secretary, and Zbigniew Szalajda, deputy premier, took part in a pre-congress conference in the largest party organization in Poland, in the Lenin Steelworks. "During the conference, party talks were summed up. Conclusions arising from them will be sent to the central authorities and participants in the 10th PZPR Congress. It was emphasized, both during individual talks with party members, and during today's discussion, that the presented party program is capable of being implemented."

"Issues relating to the plant were the dominant part of the discussion. The bad technical state of the steelworks influences the quality of production; there is a shortage of labor and the modernization of the plant, despite the fact that much is said and written about it, is not an easy thing at all. It faces difficulties all the time."

According to Warsaw PAP in English at 2006 GMT on 18 April, "PUWP CC Secretary Zbigniew Michalek received here today economic secretary of the Italian Farmers' Confederation CC Errico Iannone, who has been visiting Poland at the invitation from the United Peasant Party CC. The two briefed each other on the situation in the countryside and agriculture and on the effects of the agricultural policy in Poland and Italy."

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CSO: 2600/382

PARTY HISTORIAN'S ASSESSMENT OF BIERUT ERA

AU010729 [Editorial Report] Warsaw SZTANDAR MLODYCH in Polish on 21-23 March 1986 carries on page 4 a 4,000-word interview given by Professor Zenobiusz Kozik, a historian specializing in the history of people's Poland and the history of the workers' movement and dean of the Department of Sociopolitical Sciences at the PZPR Central Committee Academy of Social Sciences, to Dariusz Szymczycha, entitled "The First."

The first section of the interview deals primarily with Boleslaw Bierut's role as president of the postwar republic and his alleged ability to promote "what we today call building national accord."

The middle section of the interview concentrates on the conflict between Bierut and Wladyslaw Gomulka which led to the latter's removal from the post of party general secretary. Mention is made of the report entitled "About the Rightist and Nationalist Deviation in the Leadership of the Party" which was prepared by Bierut and directed against Gomulka. The account of this episode provided by Kozik obscures the true nature of the reasons behind the campaign to oust Gomulka. Professor Kozik asserts that "the main reason for the differences of opinion dividing Gomulka and Bierut, and dividing Gomulka and other members of the Polish workers' party leadership lay, to my mind, in a combination of internal and external factors. Of course, a very simple reason also played a part: an element of competition between people, but its importance should not be overrated. In my opinion external factors should be accorded first place. The division of the world into two opposing camps was already well advanced by that time and this brought with it the threat of a World War III breaking out." According to Kozik, differences on the character of the communist movement in changed international circumstances and on Poland's future development "resulted in Gomulka's isolation within the Politburo.

The final section of the interview contains observations of a general kind about the Stalinist period in Poland and elsewhere. In response to the interviewer's statement that "this period has been called a period of 'mistakes and distortions' for 30 years," Professor Kozik says "such is the fate of a politician, for he does not chose the period in which he is active. A man is chosen by a period, a leader also becomes a cog in the wheels of history. But errors and distortions are only part of the truth about the

first half of the 1950's. After all it was not a period which was dominated by errors and distortions."

The interviewee concedes that there were excesses during the 1950's: "It is true that when we talk of these years the words 'irregularity' or 'distortion' are too weak. It would sometimes be better to even say 'crimes.' Nineteen soldiers of the Polish People's Army who had served with the Polish Armed Forces in the West or the home army were sentenced to death." Kozik notes that the circumstances of the time were such that the worst features of Bierut's rule were almost inescapable. But he then goes on to draw a favorable comparison with events in other socialist countries: "In Poland it did not come to trials and death sentences for politicians of the calibre of Laszlo Rajk in Hungary, Trajczko Kostow in Bulgaria, or Rudolf Slansky, general secretary of the CPCZ." Later, Professor Kozik states that "the rule of law was not only violated in Poland, it was more than that; it was a supstate phenomenon linked with the name of Lavrenti Beria, the people's commissar for Soviet internal affairs."

In response to the final question asked by Dariusz Szymczycha, professor considers de-Stalinization in Poland: "What we call the thaw came much later in Poland and the reasons for this must also be sought in the very person of Bierut. but as is often the case in Poland, although the thaw came later in Poland it was more rapid and more far-reaching."

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CSO: 2600/379

POLITICS

POLAND

GLEMP COMMENTS ON CHURCH-STATE RELATIONS

LD121952 Vatican City International Service in Polish 1415 GMT 12 Apr 86

[Text] Warsaw: Last Monday, 7 April, a meeting took place in Warsaw between Cardinal Jozef Glemp, the Polish primate, and foreign correspondents. In reply to a question from one of the journalists as to how the primate assesses state-church relations in Poland and whether the situation is ripe for a meeting with General Jaruzelski, Cardinal Glemp said:

Relations between the Catholic Church and the Polish People's Republic authorities have not changed in their essential framework since our last meeting. We can say that dialogue exists. This is a difficult and responsible dialogue, and I think that is why both sides approach this dialogue with the proper gravity. One should reckon, in this context, that my meeting with Gen Jaruzelski will take place in the next few weeks. I cannot give any more detailed information on this subject, but I see no unfavorable indicators or reasons to break this already traditional dialogue.

Another question concerned a text published by PAP, and, with few abbreviations, also in No 80 of the ZYCIE WARSZAWY, in an article entitled "Ballast." One of the journalists, during Monday's news conference, said that Jan Rem had cited quite a few fragments from sermons by priests who allegedly attack communist governments in his last article. He asked whether the cases cited by this journalist [Rem] were known to the primate and whether the process of transferring certain priests, under clear pressure from the state authorities, as the article suggests, will be continued. The primate replied to the above question as follows:

I read Mr Rem's article. I think that even from the point of view of the Polish reason of state, this is not a good article. Mr Rem cites many addresses and names of priests about whom no one has heard of much to date. One or more sentences, taken out of context from the whole sermon in fact don't testify to anything yet, even if these sentences did exist, as they may well do because they express, after all, particular social sentiments, attributing such importance to them is surprising.

I think that this description is not an authentic one. I know that in Poland at the moment, in many circles, towns, communes, relations between the church and local authorities are much less complicated. To complete the picture

presented by Mr Rem, one also should mention the very unfavorable statements made against the church during many meetings of ideological groups. It is true that we do not possess the capability to register them, but we are aware that such expressions exist and are numerous. Anyway, we do not at all compile anthologies from these statements in order to show how much enmity exists toward the church. I think, therefore, that this is not a road leading to proper dialogue.

Answering on the other issue, of the transfer of priests under pressure, the primate said: I do not know of such cases. It is true that 3 years ago, I myself made transfers, but I did not do this under any pressure. I did this for the good of that priest. I do not believe, however, that any of the bishops in Poland today would do this under any pressure, whatsoever. The bishops maintain the sovereignty of their authority. If a transfer occurs that may accord with the assessments of political elements, this is certainly a coincidence. I do not know of such cases.

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CSO: 2600/379

POLITICS

POLAND

SOLIDARITY CALLS FOR PROTEST AT ST STANISLAS

AU111526 Paris AFP in English 1517 GMT 11 Apr 86

[Text] Warsaw, April 11 (AFP)--The Warsaw section of Solidarity, the underground Polish trade union, has called on its supporters to gather for a May protest at the city's Saint Stanislas Church, where murdered pro-Solidarity priest Jerzy Popieluszko is buried.

The call, signed by Zbigniew Bujak, the top official in the underground leadership, and acquired by Western media on Friday, said there would be a mass at the church to enable a "demonstration of the will of Solidarity supporters to continue the fight for freedom and basic rights."

Last year's May 1 gathering at St. Stanislas was followed by a peaceful demonstration by 15,000 Solidarity supporters. Many of their leaders were subsequently jailed on the basis of police photographs taken during the protest.

For the first time in 5 years, Solidarity included a message of support to the defenders of human rights in totalitarian countries, and "especially those in Eastern Europe."

Meanwhile, a Solidarity militant at Slupsk, northern Poland, was sentenced on Friday to a year in prison, suspended for 3 years, and fined 50,000 zlotys (300 dollars) for unauthorized publishing.

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CSO: 2020/120

FRASYNIUK 'SEVERELY BEATEN' IN PRISON

AU031834 Paris AFP in English 1812 GMT 3 Apr 86

[Text] Warsaw, April 3 (AFP)--Wladyslaw Frasyuniuk, an imprisoned leader of the banned Solidarity union, was recently "severely beaten" by about 30 prison guards and then put in solitary confinement for a 1-month spell, his wife Krystyna said Thursday.

In a telephone call from their Wroclaw apartment to the Warsaw bureau of AGENCE FRANCE-PRESSE, Mrs Frasyuniuk said the attack occurred last March 26 when the guards burst into 31-year-old Mr Frasyuniuk's cell.

After hitting and kicking him all over his body, they "incarcerated him for a month in an unheated 'hole' where there are rats," she said.

She quoted the prison guards as telling her that her husband had been "subjected to harsh treatment" that was only meted out to "hardened offenders and dangerous criminals."

Mr Frasyuniuk, a member of Solidarity's national underground leadership, was sentenced last June to 3 and 1/2 years' imprisonment for "membership and leadership of a banned organisation."

He is at present in Lubsko prison on the frontier with East Germany. Mrs Frasyuniuk said that since last October he had only been allowed once to speak to his relatives.

Recently an independent source said that Mr Frasyuniuk's health was "very bad," but this was denied last Tuesday by government spokesman Jerzy Urban, who said that Mr Frasyuniuk was not giving "cause for concern."

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CSO: 2020/120

CATHOLIC CONVENT ON AUSCHWITZ SITE STIRS 'OUTRAGE'

AU111545 Paris AFP in English 1532 GMT 11 Apr 86

[Report by Dominique Garroud]

[Text] Auschwitz, Poland, 11 Apr (AFP)--The creation of a Catholic convent at the World War II Auschwitz death camp in southern Poland, where three million Jews were massacred, is increasingly stirring up feelings of outrage among Jewish militants.

Ten Carmelite nuns already living in a building at the camp, which once stored gas used to exterminate Jews and property stolen from them, have already been besieged by Jewish pilgrims from Belgium.

The protestors have vowed to have them ousted, the convent's mother superior, Mother Teresa, said.

At a meeting in Paris at the end of March, leaders of both U.S. and European Jewish communities threatened marches on Rome or Auschwitz to protest at what they see as a violation of a Jewish memorial.

The bitter wrangle threatens to jeopardize a rapprochement between the Jewish and Catholic communities, illustrated by an unprecedented visit next Sunday to the Rome synagogue by Pope John Paul II.

Mother Teresa described how a group of about 30 demonstrators arrived at the building currently under conversion, carrying a black flag and wearing black arm bands.

She said the protestors, who said they were from the Belgian Jewish Congress, vowed to "do everything they could" to get the nuns evicted.

Mother Teresa said she had tried to calm the protestors, assuring them that the convent would not take over to desecrate Auschwitz, but would "pay homage to martyrs, whatever their nationality or religion."

"Until now, the controversy hasn't really touched us," said Mother Teresa, who has been living at the site of the proposed convent since October 1984.

The nuns prayed there peacefully until the publication of a first article in the Belgian press near the end of last year, which, to the surprise and dismay of the Catholic Church, unleashed a revolt within the Western European and American Jewish communities.

The convent has received the blessing of Pope John Paul II.

It comes under the authority of his successor as Archbishop of Krakow, Franciszek Cardinal Macharski, who received a protest delegation of Belgian Jews in February.

He said in a statement to the Italian press that the convent constituted "a sign of love stronger than death."

The director of the Auschwitz museum, Kazimierz Smolen, who himself spent 3 and 1/2 years in the camp, said he saw no objection to the convent.

"There should not be any quarrelling here, nor religious or political point-scoring," he said. "What should be condemned is Nazism and genocide."

He said the nuns "pray for the victims of a genocide, and there is no question of distinguishing between Jews and non-Jews."

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CSO: 2020/120

BRIEFS

SYRIAN LEADER VISITS--On 12 April 1986 Jozef Czyrek, member of the Politburo and secretary to the PZPR Central Committee, met with Minister General J. J. al-Ali, member of the BAATH party leadership and commander of the Peoples Army of Syria. J. Czyrek briefed the Syrian guest on key issues in Poland's social and economic situation and on the most important problems facing the party as it prepares for the PZPR 10th Congress. Major international problems were also discussed, including the current situation in the Middle East. Reference was made to the dangerous activities of the principal forces of imperialism who are aggravating the situation in the region and complicating the search for solutions to the main problems facing the Middle East and Mediterranean region. Minister al-Ali expressed his appreciation for the effective actions being taken by the Polish leadership to help overcome current difficulties. He underscored Syria's interest in the advancement of Syrian-Polish relations, especially so in the area of economic and cultural cooperation and party-to-party contacts. The director of the PZPR Central Committee Foreign Department, E. Kucza, and the vice minister of National Defense, T. Tuczapski, also took part in the talks. [Text] [Warsaw TRYBUNA LUDU in Polish 14 Apr 86 p 2] /9599

SOVIET MEDIA DELEGATION VISITS--In keeping with the plan for cooperation between the PZPR and the CPSU, a delegation for the CPSU Central Committee headed by Boris Vladimirov, member of the CPSU Central Committee Audit Commission and editor in chief of the newspaper EKONOMICHESKAYA GAZETA, visited Poland from 7 to 12 April 1986. The visit was designed to provide an opportunity for the sharing of experiences in terms of the work being done by the mass media in Poland and Soviet Union to publicize the materials and resolutions of the CPSU 27th Congress and the draft Program and Guidelines of the PZPR's 10th Congress and report on the all-party and nationwide debates on these documents. The delegation met with the senior officials of the PZPR Central Committee Propaganda Department and Information Department, the Workers Publishing Cooperative "Prasa-Ksiazka-Ruch," TRYBUNA LUDU, the Committee for Radio and Television Affairs, ZYCIE GOSPODARCZE, and the National Workers Press Agency. The Soviet guests paid a visit to Poznan, where they learned something about the political-public affairs work being done by the party at the H. Cegielski Plant and also about the activities of the Wielkopolska Press Publishing House and the Poznan Radio and Television Center. At the end of their stay in Poland the delegation met with Jan

Glowczyk, alternate member of the Politburo and secretary to the PZPR Central Committee. [Text] [Warsaw TRYBUNA LUDU 14 Apr 86 p 2] /9599

SOVIET EXPERTS ON U.S. VISIT--On 12 April 1986 the Ministry of Foreign Affairs was the site of a Polish-Soviet panel discussion titled "Current East-West Economic Relations With Special Reference to the Policies of the United States." The panel discussion was attended by scholars from the Polish Institute for International Affairs and by Soviet scholars invited through the Ministry of Foreign Affairs from the Institute of the U.S.A. and Canada of the USSR Academy of Sciences--Professor Radomir G. Bogdanov, deputy director of the institute, Professor Nikolai P. Shmelov, and Dr Sergei A. Karaganov. The guests had meetings with Professor Marian Orzechowski, alternate member of the Politburo and minister of foreign affairs, Jan Kinast, vice minister of foreign affairs, and Bogumil Sujka, deputy director of the PZPR Central Committee Foreign Department. They also met with other scholars from the Academy of Social Sciences of the PZPR Central Committee and the Polish Institute for International Affairs. [Text] [Warsaw TRYBUNA LUDU in Polish 14 Apr 86 p 2] /9599

FOREIGN AFFAIRS VICE-MINISTER--Warsaw, 9 Apr--On the motion from the minister of foreign affairs, the chairman of the Council of Ministers appointed Tadeusz Olechowski to the post of under-secretary of state at the ministry. (Olechowski's predecessor Ernest Kucza had assumed the function of the head of the PUWP CC foreign department.) Tadeusz Olechowski, 60, PUWP member, was minister of foreign trade in the years 1972-1974. Since 1983 he has been Poland's ambassador to the FRG. [Text] [Warsaw PAP in English 2015 GMT 9 Apr 86 LD] /9599

ENVOY TO JORDAN DEPARTING--Amman, 15 Apr--The regent of Jordan and crown prince, Hasan ibn Talal, has received at a farewell audience Polish Ambassador Boguslav Kaczynski in connection with the conclusion of the latter's diplomatic mission in this country. Prince Hasan conveyed the best wishes for the Polish nation and the authorities of the Polish People's Republic, voicing Jordan's interest in the further development of its relations with Poland in the spirit of the decisions taken at the meeting between General Wolciech Jaruzelski and King Husayn. [Text] [Warsaw PAP in English 0426 GMT 15 Apr 86 LD] /9599

JARUZELSKI CONGRATULATES SYRIA--Warsaw, 16 Apr--President of the Council of State Wojciech Jaruzelski sent today a congratulatory cable to President of the Syrian Arab Republic Hafiz al-Asad in connection with the national day of the republic on April 17. [Text] [Warsaw PAP in English 2020 GMT 16 Apr 86 LD] /9599

MESSNER RECEIVES CUBAN MINISTER--Premier Zbigniew Messner received here today Cuban Minister of the State Committee for Labour and Social Security Jaoquino Benavides Rodriguez, to discuss prospects of Polish-Cuban cooperation, especially in the field of labour and social security. The Cuban guest visited Poland April 17-19 at the invitation from Polish Minister of Labour, Wages, and Social Affairs Stanislaw Gebala. The two conducted talks on prospects of cooperation between the two ministries. The Cuban guest, who is also the deputy chairman of the Cuban-Polish Friendship Society, also met with chairman of the main board of the Polish-Cuban Friendship Society General Antoni Jasinski. [Text] [Warsaw PAP in English 1635 GMT 19 Apr 86] /9599

RUSSIAN ORTHODOX EXARCH VISITS--Archbishop Teodosius, exarch of the Moscow patriarchate for Berlin and Central Europe, visited Poland in conjunction with a scholarly symposium organized by the Polish National Catholic Church. On 9 April he met with Kazimierz Morawski, head of the Christian Social Association and member of the Council of State. They touched on questions concerning Christian participation in activity on behalf of peace, disarmament, and safety in Europe. They stressed the great significance of Soviet proposals for stopping nuclear testing and eliminating nuclear arms by the end of the century for maintaining peace. They also pointed out the great significance of the letter issued by the Holy Synod of the Russian Orthodox Church concerning the elimination of nuclear threat. [Text] [Warsaw ZYCIE WARSZAWY in Polish 10 Apr 86 p 2] /9599

U.S. LUTHERAN CHURCH LEADER VISITS--Bishop James R. Crumley of New York, head of the Lutheran Church in the United States, visited Primate Jozef Glemp. The guest, who was visiting Lutheran communities in East Europe, was accompanied by Bishop Janusz Narzynski, head of the Evangelical Church of the Augsburg Confession in Poland and chairman of the Polish Ecumenical Council, and Rev Wilhelm G. Rusch, head of the Ecumenical Division of the Lutheran Church in the United States. The primate was accompanied by Bishop Wladyslaw Miziolek, deputy chairman of the Commission for Ecumenical Affairs, and Bishop Jerzy Dabrowski, deputy secretary of the Episcopate. [Text] [Warsaw ZYCIE WARSZAWY in Polish 11 Apr 86 p 2] /9599

LOPATKA ON CHURCH, STATE--Prof Adam Lopatka, head of the Department for Religious Affairs, in an interview published in GLOS WIELKOPOSKI, was quoted as follows: "Religious policy changes depending on the socio-political situation and behavior of both its partners: the church and the state. There are times when the state cannot ensure compliance with the principles on which it bases its policy, when the state is too weak and the power of the church is too great. The state could not restrain the wave of clericalism, but now we have entered on the path of normalization." "Catholicism came to a country which had other religions, eliminated them by fire, sword, and water. This faith is imported, like Marxist ideology." "There is no basis to think that the church authorities can be compared to the government or the Sejm. These are authorities whom no one elects, so how could they be the bearers of the interests of all the believers if the faithful attain the expression of their political goals and their social and economic interests through the political structure." [Text] [Warsaw KIERUNKI in Polish 23 Feb 86 p 2] /9599

CSO: 2600/372

ROMANIA

BRIEFS

NAVAL TRANSPORTATION CHIEF--The President of the Socialist Republic of Romania decrees that Comrade Rear Admiral Neculari Harjau is relieved of his position as deputy minister of transportation and telecommunications and chief of the Department of Naval Transportation. Comrade Rear Admiral Gheorghe Anghelescu is appointed deputy minister of transportation and telecommunications and chief of the Department of Naval Transportation. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 17, 4 Apr 86 p 3] /6662

CSO: 2700/144

WEST GERMAN TELEVISION REPORTS ON POLISH DRUG ABUSE

DW151035 Hamburg ARD Television Network in German 2030 GMT 14 Apr 86

[Report by Ulrich Deppendorf from Poland over video on the "Tagesthemen" program--DW]

[Text] It is a frequent picture on one of Warsaw's most frequented streets--a drug addict, pumped full of drugs, can move only with great effort. The young man is one of about 600,000 Poles who have become addicted to narcotics, including 120,000 who are heavily addicted. The age group affected most is between 16 and 20. Experts estimate that every 10th young Pole has contact with narcotics. The figures keep increasing.

And this is the stuff that spelled death for 109 Poles last year alone: This brown stuff, Polish heroin concocted in secret laboratories, is called "compote." The production of it is complicated. When an addict makes a mistake, every shot can be lethal.

Reportedly, there are about 1,000 illegal laboratories in Warsaw alone. The home-made Polish heroin called compote is produced from poppy straw, which is cooked for 8 hours and then cured with chemicals. The authorities are beginning to curtail poppy growing, to be sure; yet everything is done half-heartedly.

This addict [shown on screen] needs part of the compote for himself, the rest is sold, and his wife and two children have to live on the proceeds. Just as in the West, business in narcotics is brisk in Poland. Dealers and addicts meet in hidden back yards in downtown Warsaw. Police authorities arrested 16,000 drug producers and dealers in the past year. More and more frequently mass media--in this case Polish television--report on the narcotics wave, something they have not done in the past.

Until 1980 the problem was ignored. It did not square with communist ideology. Especially during the martial law period the number of addicts increased rapidly. The fact that the problem is now publicly discussed is owed above all to psychologist Marek Kutonski. Supported by "Solidarity" he founded the antinarcotics movement "Monar" in 1981. Today the government supports him with about 2 million marks per annum. He tries to cure drug addicts in 12 centers.

His methods are hard. Whoever is admitted to one of his groups has to stop cold turkey. If anyone relapses he has to leave the group. According to Kutonski, 40 percent are cured. However, he who visits the "Monar" home located in one of the Trist suburbs of the industrial town of Lodz can observe an alarming development. Poland's addicts are becoming younger and younger. Of the 12 young people living there, the youngest is 12 years old. There is already a lack of room. More and more drug addicts want to be admitted. An 11 year old girl has applied. Even 8- to 10-year old children have contact with narcotics. One-third of all Polish drug addicts start before 15. He [addict shown on screen] began at 14. Friends showed him how. His parents' home was hell, he says. In addition, he had difficulties at school. Therefore he resorted to "compote."

Marek Kutonski mentions still another aspect: Society's lack of opportunity is also a reason for the increase in narcotics consumption. Young people do not know what to make of themselves and their future. They feel lost. Experts, therefore, expect a further increase in narcotics consumption.

Finally--two shots a day are often less expensive than one bottle of vodka.

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CSO: 2300/309

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