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East Europe Report

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EAST EUROPE REPORT

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FOREIGN TRADE ORGANIZATIONS LEGALLY RESPONSIBLE TO COMBINES

East Berlin WIRTSCHAFTSRECHT in German Vol 16 No 2, 1985 (signed to press 28 Feb 85) pp 45-48

[Article by Dr Eberhard Graul, chief scientific assistant in the jurisprudence section of Karl Marx University in Leipzig]

[Text] The delimitation of the rights and duties of the Ministry for Foreign Trade and the combine relative to the foreign-trade enterprise necessary for the implementation of individual management takes place on the basis of the foreign trade monopoly and the requirements of the closed reproduction process of the combine.

The management of the foreign-trade enterprise through a double subordination essentially presents itself as a combination of partial subordination under the Ministry for Foreign Trade and partial subordination to the combine.

* * *

With the economic measures for the integration of foreign-trade enterprises (AHB's) into a number of combines, important preconditions were established for the fulfillment of the tasks in the area of foreign trade. (Footnote 1) (Compare G. Beil, "Good Foreign Trade Balance Is Proof of a Successful Policy," from the discussion speeches at the Ninth Meeting of the SED Central Committee, Berlin, 1984, p 103) The AHB's assigned to the combines (KAHB's) as well as the specific form of their management through a double subordination have now attained a permanent place in the foreign trade organization of the GDR. The current stage in the formation of new organizational structures in foreign trade is thus substantially over. It is now a matter of consolidating these structures, of eliminating the organizational difficulties that still appear, and thereby of making effective use of socialist law.

An improvement of the legal regulation of the managerial position of the KAHB must, on the one hand, take into account the greatly increased responsibility of the combine for exports. (Footnote 2) (Compare also H. Engler and D. Maskow, "The Implementation of the Foreign Trade Monopoly in the Performance of Foreign Trade Tasks by Combines," WIRTSCHAFTSRECHT No 1, 1979, beginning at p 21; W. Engelmann, H. Graf, and P. Schorn, "Legal Questions in the Management

and Work of the Combine Foreign Trade Enterprise," WIRTSCHAFTSRECHT, No 3, 1980, p 151 and following pages.) This responsibility relates to the systematic development, further development and production of marketable and foreign-exchange-profitable export products with a high scientific-technical level (Footnote 3) (See Section 3, Paragraph 3, Sentence 2 of the 8 November 1979 VO [decree] on the state combines, combine enterprises and state enterprises (GESETZBLATT I, No 38, p 355), hereinafter Combine-VO, in combination with Section 17, Paragraph 1 of the Combine-VO; team of authors, "Sozialistische Aussenwirtschaft" [Socialist External Economy], Berlin, 1984, p 42 and following pages and p 310 and following pages.) as the basic precondition for successful export sales and the organization of marketing operations including the necessary customer service. (Footnote 4) (Section 2, Paragraph 1, Stroke 6 of the Combine-VO) It includes the ensuring of foreign exchange receipts according to plan from exports to the nonsocialist monetary area (Footnote 5) (Section 31, Paragraph 1 of the 28 January 1982 VO on the further improvement of economic accounting on the basis of the plan (GESETZBLATT I, No 3, p 85), for the realization of foreign exchange can be substantially influenced by the agreement on optimum conditions of payment under consideration of the usual international conditions, by the timely and high-quality fulfillment of the export contracts, and by the immediate submission of the complete payment-expediting documents to the German Foreign Trade Bank (DABA) by the producing economic units.

The legal regulation, on the other hand, must adequately take into account the specific responsibility of the KAHB in regard to export sales, including the responsibility of the Ministry for Foreign Trade (MAH) for the management of the KAHB in this connection. Practical experience to date shows that it is therefore especially important to guarantee the principle of individual management in the management of foreign trade by the combine and the MAH within the framework of the double subordination. Through the establishment of an exact delineation of responsibility, socialist law must thereby help to ensure that possible conflicts of authority between the involved legal subjects can be avoided. It leads to complications in the managerial work and endangers the effectiveness and rationality of the management system in the combine when the combine is assigned an AHB as a combine enterprise (Footnote 6) (Section 17, Paragraph 3 of the Combine-VO) without simultaneously regulating wherein the limitation of the integration of this AHB consists. Already-existing regulations, however, often do not help to establish the necessary clarity or to give the combine an orientation. Thus all of the statutes of the KAHB include the provision that the AHB is subordinate to the general director of the respective combine. (Footnote 7) (for example, Section 1, Paragraph 5 of the statute dated 6 January 1984 of the AHB Gisag Export-Import, DDR AUSSENWIRTSCHAFT, 22 February 1984, documentary supplement, p 4) In this connection, the scope of this "subordination" and the existence of management relations with the MAH are still in need of interpretation.

On the Connection Between the Nature and Organizational Forms of Foreign Trade Monopoly

A more exact organization of the rights, duties and structures in both management lines depends upon a more precise understanding of the content of the foreign trade monopoly. Under the conditions of the existence of AHB's

assigned to combines, the foreign trade monopoly accounts not only for the necessity of a double subordination of the KAHB but also determines its organization (definition of responsibility) in detail.

The foreign trade monopoly essentially consists in the management of foreign trade by the socialist state. (Footnote 8) ("Oekonomisches Lexikon A-G" [Economic Lexicon A-G], Berlin 1978, p 225; "Woerterbuch Aussenhandelspraxis" [Dictionary of Foreign Trade Practice], Berlin 1977, p 29) But such an understanding of the foreign trade monopoly is not sufficient to define exactly the position of the KAHB. To be sure, it is adequately able to take into account the development of the organizational forms of the foreign trade monopoly, including the current phase of the development of the productive forces and production relations, in which in regard to foreign trade as well it is a matter of the maximum utilization of the reproduction process of the combine. There is no consideration, however, of the fact that the foreign trade monopoly must also perform functions that--regardless of the specific state of development--require specific (that is, set off from the overall management system) organizational forms. Of course the nature of the foreign trade monopoly cannot and should not be identified with a specific organizational structure. On the other hand, the organizational forms of the foreign trade monopoly do justice to its nature only when they can exercise all of the basic functions to be carried out by the foreign trade monopoly. Accordingly, they must be suited to the exercise of both the growth and the protection functions and ensure that the overall social interests can be strictly implemented relative to the interests of the combine. (Footnote 9) (G. Shurawl'ov, "65 Years of the State Foreign Trade Monopoly," DDR-AUSSENWIRTSCHAFT No 17, 1983, p 1 and following pages; on the relative independence of collective interests, compare "Economic Interests in Socialism," PROBLEME DES FRIEDENS UND DES SOZIALISMUS, No 6, 1984, p 780 and following pages, especially p 781; U.J. Heuer, "Driving Forces and Commercial Law in Socialism," STAAT UND RECHT No 10, 1984, p 803 and following pages, especially p 805.)

The legal regulation of the position of the KAHB must therefore proceed from the assumption that the increase in the responsibility of the combine for exports must take place while maintaining the prevailing division of labor between the AHB's and export enterprises (consequently also under combine conditions on the basis of the signing of the export commission contract. (Footnote 10) (Section 8, Paragraph 1 of the third implementing decree of the contract law) It is to be directed so that the requirements of the production work of the export enterprise can be synchronized with the marketing operations of the AHB in the combine through the integration of the KAHB into the management system of the combine, thus making possible the uniform management of the production and circulation processes with respect to the products of the combine. Such a legal regulation results in a progressive approximation, precise coordination and a close coupling of the reproduction processes of the combine export enterprises (as components of the combine reproduction process) with the work process of the KAHB, through which the overall process attains a stronger (managerial) cohesion without, however, merging the circulation phase of the KAHB with the reproduction process of the combine.

The legal status of the KAHB with respect to management is therefore determined by the general regulations on the tasks, rights and duties of foreign-trade enterprises, to the extent that other provisions are not made by the minister for foreign trade and the competent industry minister. (Footnote 11) (Section 42, Paragraph 2 of the Combine-VO) At the present time, there are such provisions in the principles for cooperation between industry and foreign trade (Footnote 12) (compare Order No 4 from 31 January 1983 on the supplementing of the order of the planning of the GDR national economy in 1981 through 1985, Section XVIII, Item 1 (GESETZBLATT, Spec. Ed. No 1, 122) and in the joint dispositions of the minister for foreign trade and the minister for industry on the establishment and subordination of the KAHB. A direct ruling on the legal status of the KAHB has not yet been made in a published legal regulation.

The double subordination as a specific form of the management of the KAHB is implemented on the basis of the close cooperation of the MAH with the industry ministry through legal relations between the MAH and KAHB, industry ministry, Combine and KAHB, MAH and combine, and industry ministry and KAHB. They postulate for the combine and the KAHB only partial competencies to manage the KAHB, in the scope of which they have specific rights to make decisions and a comprehensive right to issue orders that is thereby aimed at conceptual work, planning and plan implementation.

The Management Relationship of KAHB to MAH

The object of the subordination of the KAHB to the MAH is, just as in the AHB that is subordinate only to the MAH (Footnote 13) (Compare 10 January 1974 VO on the tasks, rights and duties of the state foreign trade enterprises (GESETZBLATT I, No 9, p 77).), in the management of the commercial business activities of the AHB and all necessary related preconditions in the foreign markets. The management of the KAHB by the MAH, however, occurs according to the principle that the combine is also conceded a (defined) influence on this object.

With respect to planning activities, therefore, it is still a matter of the direct issue of indices specific to foreign trade vis-a-vis the KAHB (Footnote 14) (Order No 4 on the supplementing of the order of planning..., Section XVIII, Item 7, loc. cit.) (parallel to the issue of some of these indices to the combine). They form the totality of the country- and foreign-exchange economic planning and, through the planning of the formation and application of the operating result, the value-related side of all material processes connected with the economic activities of the KAHB. In addition, every extrapolation of the plan of the KAHB is undertaken by the MAH, for it is always linked with a change in the indices specific to foreign trade.

The decisions of the MAH to be made in direct relation to the KAHB and to be carried out by it alone in the management of the implementation of the commercial business activities are aimed at four areas of management, namely the internal organization of the KAHB (management organization, data processing, forms, reporting system, control activities of the MAH, and legal, personnel and training work), the management of the finances of the KAHB, the management of the work of the KAHB in the external markets, and the

cooperative actions vis-a-vis the MAH (the preparation of planning tasks or the agreements under international law through the MAH, for example). The objective connection between the reproduction process of the combine and the circulation phase thereby also results in the requirement that the combine participate in the preparation of some of the decisions of the MAH. Here the participation is differentiated in accordance with the types of decisions:

--decisions in which the combine cooperates in their preparation by the KAHB (defense of price concepts before the MAH, for example);

--decisions that are to be coordinated with the combine (implementation of MAH investigations in the KAHB, for example);

--decisions that require the approval of the combine (on the employment of the manager of the foreign sales organization, for example).

The Management Relationship of KAHB to Combine

The management of the KAHB by the combine presupposes a direct influence of the industry ministry and MAH on the combine in the integration of the foreign trade activities in the reproduction process of the combine as well as to ensure the implementation of the commercial requirements.

The management line emanating from the industry ministry primarily serves in the implementation of the industrial-branch management of the export activities in the combine as a component of the overall management of the combine by the industry ministry, from which the combine derives its own requirements vis-a-vis all combine enterprises. Within this management line are handed down--just as before in this respect--all decisions relating to foreign trade for the implementation of the economic policy, decisions that are to be prepared with the industry ministry and whose implementation through this ministry is to be supported. (Footnote 15) (Section 4, Paragraph 3, Sentence 1 of the Combine-VO)

In addition, this management line makes possible the implementation of the newly adopted function of the industry ministry to ensure the foreign trade monopoly in the work of the KAHB. It thereby becomes the task of the industry ministry to ensure through its management activities vis-a-vis the combine that the combine actually performs all of the tasks vis-a-vis the KAHB and that the MAH is not adversely affected in the management of the commercial business activities of the KAHB. The performance of this function by the industry ministry is likewise served by those rights with which substantial elements of influence on the KAHB continue to be reserved directly for the industry ministry. Thus the industry ministry includes the KAHB in the system for the guidance and control of the combine, appoints the general director of the KAHB, his deputies and the chief accountant himself (following the approval of the MAH) and confirms (likewise after the approval of the MAH) the structural and job plans of the KAHB.

Finally, the management line from the industry ministry to the combine determines behavior requirements that the industry ministry first coordinates with the MAH so as to ensure from the outset the most harmonious cooperation

possible in the exercise of the respective specific responsibilities of the two economic units. This objective is served in particular by foreign trade planning by combines, (Footnote 16) (Order No 4 on the supplementing of the order of planning..., Section XVIII, Item 7, loc. cit.) through which the combine receives a number of indices that in part correspond directly to the indices for the KAHB and in part do so in a more aggregated form.

With the (functional) management of the combine by the MAH, the combine is given planning indices specific to foreign trade that provide for the material integration of the export plan of the combine in the specific requirements of the country structure of foreign trade. It thereby makes possible the planning of the export of specific goods in a volume foreseen for certain countries and thus has a positive influence on the specification of the export plans of all economic units in the combine.

In regard to the necessary rights of the combine for the uniform management of the foreign trade process, it is to be assumed that they must relate to the management system and to the commercial business activity and its material conditions:

a) In the area of the formation of the management system, it is possible and, in the meantime, in part already the practice to

--employ the general director of the KAHB as the deputy general director of the combine, facilitating the possibility of incorporating requirements of export sales directly in the management process of the combine (especially in the reporting system) and of making direct allowance for the requirements of the combine's reproduction process in the management of the KAHB;

--establish organizational forms within the combine (commissions, work staffs, etc.) to carry out the cooperation between the KAHB on the one hand and the combine and export enterprises on the other in all areas of economic activity relevant to exports.

b) In regard to the commercial business activities of the KAHB, the combine needs to have the right to make planning decisions that employ the indices specific to foreign trade (export volume at factory price/equivalent foreign exchange value) so that the most rational solutions for the combine reproduction process can be made the basis for internal combine planning. One must thereby ensure that this export planning with respect to volume corresponds to the indices specific to foreign trade made available to the combine and likewise that, in the material specification, full consideration be given to already-existing obligations based on international law or those from international economic agreements, which frequently also result in consumption requirements.

c) In regard to the material conditions of export sales, one should distinguish between those that are to be established in the KAHB itself and those that concern the combine enterprises responsible for research and development as well as production.

--With respect to the conditions at the KAHB, it should be assumed that their planning will be undertaken by the combine. This is expedient for various reasons. As for the investments, rationalization and manpower, the combine provides for their material safeguarding (balancing, policy decision, procurement, etc.). In regard to the indices concerning the material interest of the workers, the combine must ensure their uniformity (comparability) relative to the corresponding indices that are determined for the workers in other combine enterprises. For the MAH, this thereby ensures the possibility of controlling the adherence to these indices coordinated beforehand with the industry ministry, in that these positions are also included in the planning of the formation and application of the operating result, which occurs only in the relationship between KAHB and MAH.

--In regard to the conditions at the combine enterprises that have responsibility for research, development and production of the products to be exported, one must ensure that the KAHB participates in the preparation of the corresponding decisions to the extent established by law, (Footnote 17) (Important--to be implemented with specific decision rights, if necessary--forms of the exercise of the responsibility of the KAHB for the development of export-oriented use-value and economic requirements and thus forms of the specific organization of the economic interlocking of the foreign trade activities with the other phases of reproduction are, for example, the undertaking of the examination of the objectives of the specifications in the opening defense (Section 5, Paragraphs 1 and 3, Line 3 of the VO from 17 December 1981 on the specifications for research and development tasks (GESETZBLATT I, 1982, No 1, p 1) as well as the collaboration of the AHB in working out the upper limits for prime cost and prices (Section 2, Paragraph 3, fourth command line; Section 2, Paragraph 5, Appendix 1, Item 6, Paragraph 1, Letter b first and second command lines and Item 7, Paragraph 2 of Order No Pr. 475 from 14 April 1983 on cost and price upper limits) (GESETZBLATT I, No 12, p 131)) so that it can fulfill its tasks in opening up the market and preparing export sales.

With this rights-duties structure, however, a substantial part of the material and financial as well as the management processes of the KAHB are taken away from management by the combine. In particular, the combine has no right to change the tasks (derived through the MAH) relating to the commercial business activities of the KAHB or to transfer them to other combine enterprises or to centralize these tasks with the combine itself in accordance with Section 7, Paragraph 2 of the Combine-VO (issue and collection of offers, for example). In accordance with Section 8, Paragraph 1 of the Third Implementing Decree of the Contract Law, in the order of cooperation the combine may not make provisions deviating from the regulations on export and import unless something else is agreed to by the competent central state authorities. One must thereby take into consideration that the Third Implementing Decree of the Contract Law contains a large number of optional and orienting standards that certainly do permit a consideration of the specific nature of the respective reproduction process in the foreign trade system. (Footnote 18) (Compare M. Walther, "Commercial Contracts for Exports and Imports," WIRTSCHAFTSRECHT, No 2, 1982, p 110; G. Strassmann and E. Suess, "The Regulation of the Tasks of the Combines and Combine Enterprises in the New Contract Law," WIRTSCHAFTSRECHT, No 4, 1982, pp 212-213) Another expression of the relative

independence of the circulation phase is that the funding and financial relations of the KAHB are basically not included in the reproduction and management process of the combine. (Footnote 19) (Compare Section 32 of the VO on the further improvement of economic accounting on the basis of the plan, loc. cit.) The KAHB pays net profit and other funds directly into the national budget and budgetary appropriations generally occur through the MAH, in part through the industry ministry (e.g., appropriations for investments of the AHB). The combine basically has no authority to centralize and redistribute financial resources of the KAHB, nor can it pay its own funds into the KAHB. This is derived both from the state monopoly of foreign trade (uniformity of the financial management as well) and from the fact that some of the KAHB's fulfill an even higher share of marketing tasks for other combines and direct financial relations with the state simplify accounting and statistics. An exception is the right of the combine to pay resources from net profit of its KAHB in excess of the plan into the reserve fund. (Footnote 20) (Section 20, Paragraph 1, Letter c of the order from 14 April 1983 on the financing guideline for the state economy (GESETZBLATT I No 11, p 110))

Nature of Specific Form of KAHB Management

The content of the specific rights and duties in the management relations of the MAH and combine with the KAHB permits some conclusions about the nature of the double subordination.

Because the relations between the MAH and the KAHB remain relations of subordination, notwithstanding the integration of the KAHB into the combine, but the scope of some aspects of management within these relations is reduced, the nature of the management relationship of the KAHB to the MAH can no longer be covered by the traditional category of the AHB subordinate to the MAH. A characterization as functional relations is also out of the question, (Footnote 21) (Of a different opinion, on the other hand, are W. Engelmann, H. Graf and P. Schorn, op. cit., p 152, who assume a subordination of the KAHB exclusively under the general director of the combine, which would leave room for only functional relations with the MAH.) for such relations can exist only partially when an authority has the right to make binding decisions vis-a-vis another unit concerning certain aspects of their activities. The management process of the KAHB, on the other hand, is not withdrawn from management through the MAH despite the concession of an influence on the combine. Such largely new realities require the application of new legal concepts. As I see it, the concept of partial subordination can be used to reflect them adequately.

The management relations of the KAHB with the combine likewise have a quality of legal organization that differs from the (integration) relations that otherwise characterize the management of the enterprises of a combine. (Footnote 22) (Compare G. Goerner, "On the Position of the Combine and Its Structural Units," WIRTSCHAFTSRECHT, No 4, 1980, p 186 and following pages) So here as well--just as in the relations of the KAHB with the MAH--coverage with existing categories is not possible. In my opinion, it best corresponds to the nature of these relations to characterize them as relations of partial integration. Speaking against a characterization of these management relations as partial subordination (Footnote 23) (Which literally would

better correspond to a double subordination) is the circumstance that the KAHB is a component of the combine, that is, there is an internal relationship (whereas that of the subordination is external in nature) and this internal relationship shows some elements of integration. Included are the specific decision rights vis-a-vis the KAHB and the right to give instructions for the establishment of the uniformity of the specific orientation of the overall process as well as elements of financial decision rights and various rights of the combine with no direct financial effects, which are exercised vis-a-vis the KAHB exclusively from the viewpoint of the requirements of the combine's part of the reproduction process (e.g. confirmation of travel plans).

Current Tasks

Naturally the double subordination of the KAHB involves only one--albeit essential--variant of the deepening of the division of labor between industry and foreign trade. It is now a matter of making use of all of the possibilities of the foreign trade monopoly that result from the profiling of the combine. Further research work in this area will therefore have to be concentrated on working out the preconditions under which the KAHB can prove itself relative to the other existing organizational forms and on how the effectiveness of the management of existing KAHB's can be increased substantially within the framework of double subordination. An important point of departure is the continued organic linkage of science and technology, production and sales through up-to-date management methods, (Footnote 24) (H. Kosser and W. Kupferschmidt, "Experiences and Tasks in the Integration of Foreign Trade Activities into the Reproduction Process of the Combines," WIRTSCHAFTSWISSENSCHAFTEN, No 12, 1983, p 1,778 and following pages) whereby more consistent use must also be made of the legal possibilities in the creation of a practical functional mechanism. In this way, experience can also be gained for the further improvement of the state foreign trade organization of the GDR.

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CSO: 2300/8

CONSUMER DEMAND LEVEL OF POLES DEFENDED

Warsaw VETO in Polish No 37, 14 Sep 86 p 4

[Article: "The Next Success: Hogwash," by Skorpion]

[Text] I was already enjoying the fact that our journalists had adopted the notion of not beating a dead horse and had given up writing about the consumption model when, like a bolt out of the blue, came Tadeusz Podwysocki's article: "Puppet in the Marketplace," and, to boot, it appeared in No 31 of VETO, whose chief motto has always been sound thinking. I personally value this author's articles, and I am very sorry not to be able to praise him this time, but it was the Romans who said way back: "Amicus Plato..." and so on.

Things would not have been so bad had Editor Podwysocki limited himself to a presentation of the basic definitions, some terminology, and an objective description of our level of consumption, major trends, and so on. Unfortunately this is not what happened. The unhappy author studied the statements of many scholars, read various reports (probably too many), and came to conclusions so far removed from what our reality actually is like that to call them lunatic would be irrefutable. It would be better to say that these views should have come from the realms of the Milky Way, because these theories are just about that far from our life as it is here and now. Among other things, Editor Podwysocki decided to add propaganda which states that the main cause underlying the poor state of our economy was not faulty economic policy in past years but the unlimited consumer demands and ambitions of the society, which "equates its consumer solutions to those of Sweden, the FRG, and France." This silly hypothesis indeed is probably the brainchild of one of the scientists often cited by Mr Podwysocki. Nonetheless, while nothing prevented his criticizing this nonsense, the author did not do so.

On the other hand, because somebody finally has to remind everyone of a couple of elementary facts, I am bound to encourage Editor Podwysocki to go back to the old newspapers, let us say those of 20 or 30 years ago, and to suggest he dust off the old slogans we then used to hear just about every day. In the realm of social and economic teaching the main sentences were the following: "You can't make something out of nothing," "You have to cut the coat according to the cloth," "Nothing comes out of nothing," and so on. And it

must be admitted that consumption policy held fast to these principles. When countries far and near were backing electronics, motorization, and private construction, we had no developmental strategy but to put the brakes on blameworthy fads. The "Syrenka" was the only morally wholesome automobile, and "WSK" motorcycles and bicycles were the major means of transportation. There was no question of investing in the construction industry and encouraging the construction of single-family houses. Instead the M3 apartments with hark kitchens and the famous housing blocks with a single bathroom for the whole floor were supported.

One's memory may be short, but we should not forget that the exchange of old slogans for new ones, slogans about an adequate standard of living, could not bring about any essential transformations. The whole acceleration of consumption during the first half of the 1970's failed to make up for the delays that had occurred during the 1960's. We did not move to the forefront in international terms in any area, not in motorized transportation or telephones or housing. It was just that other countries were still on the move rather than standing still, and the lost distance could not be made up.

The question is whether, as Editor Podwysocki claims, the society actually had then and has now excessive aspirations. I really do not know where this completely senseless notion came from. Society as a whole did not have excessive demands either in the 1970's, and even to a lesser extent does it have them now. The best proof of this is the fact that it has agreed to a drastic decline in the standard of the automobile for the masses, to a decline in the quality of dwellings, to the failure to keep up with technical advances in electronics and household appliances, furniture, and so on. When our closest neighbors very quickly raised the level of satisfaction of consumer needs, our propagandists were singing the praises of the small "Fiat" and were completely delighted with outdated reel tape recorders, promising in the near but unspecified future that color television sets would be inexpensive and available everywhere.

Is it any different now? Has society demanded Mercedes or private cottages with their own swimming pools and tennis courts? Seagoing yachts? I would like to inform Editor Podwysocki that there has been no scientific research to support his hypothesis that in our consumer aspirations we compare ourselves to the FRG, Switzerland, or Kuwait. On the other hand, the research which IFIS PAN conducted in the 1980's suggests that the level of material demands is extremely depressed. People dream of a decent apartment in a block and ordinary food and clothing, and a subcompact like the Fiat 126 is treated like a dream, not a goal, in the distant future. The recent PRZEGLAD TYGODNIOWY survey a couple months back entitled "How to Catch up With the World" suggests that the readers' main hope is to improve the country's sanitary condition, to buy wholesome food, and to get in a supply of toilet paper. Further down the line were telephones, and way far off were private automobiles, computers, highways, and other demands for luxuries.

Of course everybody has a right to his own social diagnosis, but you have to be entirely cut off from reality to suggest the hypothesis of excessive

consumer aspirations in view of the available international statistics on the standard of living (and this applies to all the scholars cited by Editor Podwysocki). Later on in the article "Puppet in the Marketplace" we see that these excessive aspirations should be contrasted to the proper model of consumption which attracts us. The trouble with this is that there are barely the outlines for such a model, and it is not impossible that any work at all on this is entirely unnecessary, because we know, after all, that from behind a desk one cannot think up anything but a barracks)type way of life for a society of many millions, because any sort of experiments of that type are bound to wind up like the cultural revolution in China.

With an "uncontrolled" model of consumption things look the way they do in a democracy: it is a terrible way to run things, but up until now we have not dreamed up a better one. From this it follows that the model of consumption should be based on the greatest possible freedom of choice, and the wider the choice the better for consumers. To pinpoint any sort of model as the only correct one leads in a straight line to overalls or soup out of a vat, and we should not strive for this sort of thing, even if the overalls were embroidered with gold here and there and the soup made of turtle or crabmeat, especially since this is not likely.

Of course we have to agree with the criticism of the defects in the wealthy capitalist countries' model of consumption. It is undoubtedly extravagant and wasteful, and it advocates prestige needs, and so on, but it must be remembered that our model of consumption also had many defects. While we do not want to allow excessive importation of useless foreign models to copy, this does not mean that ours are better. It turns out that the copying of technical designs has given our market various products, and it is not at all certain whether they have been the most needed. On the other hand there is a continual lack or shortage of wonderful products and organizational systems which would clearly improve our standard of living, but they have not found their way into the "hearts and minds" of our top managers responsible for inculcating them. Under these conditions, criticism of the consumption model of advanced countries reminds us of exorcism, because none of the eminent scholars proclaiming the gospel of our own model of consumption dared to say, for example, that Japanese automobiles are nonetheless better adapted to our model of consumption than Italian ones. The same thing could apply to hundreds of other products. To this extent it is far safer to hide behind generalities and bravely criticize overblown aspirations and improper consumption models than to propose in concrete terms just what the correct model should look like.

The scholars that Editor Podwysocki cites moan over the alleged glances at the prosperous West. Meanwhile it turns out that the closest criterion for our comparisons are our two neighbors, which have thousands of our citizens working in them. Our neighbors are not splitting hairs but are developing their automobile industry, are buying foreign licenses for new products like home computers and compact videos, are supporting vacation and single*family housing construction, and have also splendidly expanded the market of goods for allotment holders. At the same time everyone can see how many new swimming pools, tennis courts, and ski runs are springing up there.

Therefore, we cannot say that the rise in private consumption is taking place at the cost of collective consumption, but there are no discussions there about the superiority of one model over the other, and nobody curses the private automobile. There a couple walks in the crowd and not into hoots and whistles.

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CSO: 2600/03/1

PERSONAL COMPUTER PRICES DETAILED

Warsaw VETO in POLISH No 37, 14 Sep 86 p 10

[Article by Jerzy Zawadzki: "Computer Prices"]

[Text] Vacationtime is over and slowly wending their way home from foreign travels come the tourists, and among their luggage cartons with computers, monitors, and software. A good deal of this equipment, though, is finding its way to the market, to the private exchanges, to be more precise.

Hence, the Warsaw computer exchanges have come to life. The last Saturday in August the largest Warsaw exchange, which has been held regularly each Saturday from 1400 to 1800 hours in Elementary School No 25 at the corner of Grzybowska and Marchlewskiego, attracted many exhibitors and shoppers.

Atari, Spectrum, Commodore, and Amstrada owners spread their wares out on the first and second floors. It is worth noting that the various brands of computer have their fixed spots. This arrangement facilitates purchases by customers, because it eliminates running around from room to room in search of one computer or another. Besides that, it is easier to compare a "neighboring seller's" price, which, in keeping with the laws of competition, will suddenly be reduced.

The most recent exchange did not produce any tremendous novelties. One hardly sees a ZX81 any more. The newest Spectrum 128 model is rare. It is not likely to be popular in Poland, despite all its predecessor's software. More and more frequent is the latest Commodore 128, whose price has dropped considerably, from 380,000 or 400,000 zlotys down already to from 280,000 to 285,000 zlotys. Nonetheless, it is not attracting buyers, perhaps because the 1571 disk drives sold in the West are not available yet in Poland, and even if they were, the price would probably be equal to the price of the computer itself, which would mean that the basic configuration would be around 500,000 or 600,000 zlotys! But where is the monitor to go with it? So it is understandable that in such a situation the customer would prefer to choose a package that is as complete as possible (with a monitor), often under 500,000 or even 400,000 zlotys (depending upon the price of the monitor). This is why the Amstrada package continues to be very popular. Will things still be the same in a month?

Here are the prices in the capital's largest exchange on Grzybowska Street:

Amstrad) CPC) 464 (with green monitor) D
ZSD220,000

Amstrad) CPC) 6128 (with green monitor) D
ZSD400,000

Commodore) 116D
ZTD50,000

Commodore) Plus) 4D
ZSD120,000

Commodore) 16 (with sound recorder) D
ZSD100,000

Commodore) 128D
ZTD285,00

Commodore) 128) D (with built) in disk drive) D
ZLD not available

Commodore) VIC) 20D
ZTD80,000

Joystick Quick Shot IID
ZUD9,000

Recorder for Spectrum D
ZTD45,000

Spectrum) 48kBD
ZSD100,000

Spectrum Plus D
ZSD120,000

Spectrum 128D
ZMDnot available

Sharp) MZ) 721 (with plotter) D
ZSD200,000

Atari) 800) XL (with sound recorder) D
ZSD120,000

5 1/4" diskettes D
ZUD1,500

3" diskettes D
ZUD6,000

A buyer could bargain for another 5,000)6,000 zlotys off the above figures.

The prices given are very competitive compared to the prices of the equipment being offered, for example, in the Unitry shop's Unipolbrit department on Gorczewska Street, where, depending upon the model, the asking price ranges from 213,500 to 280,000 zlotys, and the Neptun color monitor claims to be worth (?) a price of 241,500 zlotys! Compared to the private market, Unipolbrit's prices are rigid, and there are no indications that any change in favor of the customer is in the offing.

In a week, an update on the prices.

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ALTERNATIVES TO CURRENT MEAT RATIONING SYSTEM OUTLINED

Warsaw MERKURY in Polish No 8, Aug 86 p 12

[Article: "What's Happening With the Meat Rationing Cards?"]

[Text] In a broad in)depth analysis Grazyna Smulska sought in ZYCIE GOSPODARCZE to find new optimal solutions concerning meat rationing. Without making any judgment about the elimination of meat rationing cards, the author thinks that the most drastic thing would be "to create a completely free market for meat, one on which everyone could sell what is raises and produces without interference."

The 1986 Central Annual Plan calls for the wholesale procurement of slaughter animals amounting to 1.96 million tons of meat, of which a total of 1.51 million tons, along with meat products, are to find their way to the market. Given such deliveries, the annual per capita consumption of meat and meat products comes to 57.6 kilograms, and sales to 40.1 kilograms per year. This is less than in 1974 when these figures were 65.6 and 46 kilograms, respectively. The largest per capita market meat deliveries along with consumption and sales were noted in 1979)1980. The record for deliveries and sales in 1979 came to 1,064,000 tons and 58.3 kilograms, respectively, and in 1980 the figure for consumption was 74 kilograms per capital, but if we go back in memory to these years, it turns out that even then the meat market had difficulties maintaining its equilibrium.

Nonetheless, the issue is so complicated that, as Prof Jozefa Kramerowa showed in her research, as the result of rationing the territorial structure of consumption changed. Some of the voivodships made gains, and despite the crisis their inhabitants began to eat better. Others lost. Overall the richer ones lost and the poorer ones gained. This appears just, but only in terms of narrowly conceived social considerations. Actually the changes had nothing to do with the voivodships' economic rank or position or with the income their inhabitants received. Random chance governed them to the point that the poorest of the poor were among those who bore the brunt of the uneven consumption, but while in 1984 these distortions, at least in Prof Kramerowa's opinion, were the argument for doing away with rationing as quickly as possible, because they did not manage to make them permanent, now the opposite is true. The rationing*induced structure of

consumption in the regions became a barrier which could not be ignored in attempts to bring the market back to normal.

In the consideration of the possibility of and conditions for doing away with rationing, it is emphasized today that small voivodships' share in deliveries to the market should at least remain at the present level. The people who benefitted from the crisis must not lose, because this could lead to unrest, but at the same time, those who lost out must, for the same reason, at least regain their place. It is therefore assumed that meat deliveries to the large urban areas should be at the 1979 level.

In this connection it has been calculated that essential deliveries of meat and meat products to supply the market under free market conditions should approximate 3.2 million tons. Meanwhile this June the meat balance sheet drawn up by the agriculture, forestry, and food economy ministry envisions an increase in deliveries from the 1.51 million tons listed in the central annual plan to 1,683,000 tons. Next year, according to the ministry, one can expect the same amount at most: 1,708,000 tons in 1986, 1,735,000 in 1988, and 1.77 million tons in 1990. The figures are even less favorable owing to the structure of deliveries' not entirely meeting market needs. The assessment is that there is not a sufficient quantity of cured meat products, especially long-lasting types. For example, in 1987 they are to represent 38.4 percent of total deliveries, including 25.5 percent sausage of the nonlasting variety, according to the projections. Somehow there are no conclusions or proposals to change this structure, although this is probably not an impossible task.

Inasmuch as supply cannot be increased in any meaningful way, a reduction in estimated demand can be achieved through an increase in prices. In keeping with earlier plans, price increases for meat and meat products were introduced beginning in August. Price increases amounted to about 8 percent, following rises in procurement prices and the increase in processing and distribution costs.

Nonetheless, according to the specialists, all this does not provide adequate grounds for doing away with meat rationing cards. Price increases would have to be far greater, around 40)50 percent, because it is thought that prices should make it possible not only to maintain overall meat market equilibrium but also a balance in the assortment of items. Second, the retail prices on meat and meat products, according to the experts, should be defined in such a way as to preclude the necessity of a further increase in the near future. On the other hand, a situation in which certain reductions would prove necessary would be a good one. In such a case, cured meat products would increase in price more than unprocessed meat, being products with a higher degree of processing. This solution is advanced also by meat prices in the farmers' markets, which in certain regions of the country are already charging prices not much higher than official government prices, and it even happens that meat in these markets is cheaper than in the government shops. For example, this May, pork tenderloin bearing a price of 540 zlotys was found in GUS figures to cost on average 466 zlotys in Bielsko Voivodship, 600 zlotys in Tarnobrzeg Voivodship, 656 zlotys in Leszno Voivodship, and 675 zlotys in Siedlce Voivodship, but in

Lodz Voivodship the price was 783 zlotys, and in Katowice Voivodship, 920 zlotys.

Prices would have to increase by 25 percent in order to make the production of meat and cured meat products entirely profitable, that is, to eliminate the subsidies on both meat and meat products and on fodder.

Nonetheless, the specialists consider it more realistic gradually to reduce rationing. For example, there are proposals concerning chicken and bone)in beef and veal, of which trade has long had an excess, although recently they have sometimes not been available for purchase now that the rationing allotments have been increased.

In the case of removing chicken from the rationing system, the experts say that it would be necessary to increase the deliveries of meat by the same amount, that is, by 10,000 tons, or to reduce rationing card allotments by 200)400 grams, depending on the type of card. (The lower allotments would be reduced by 200 grams, while the "0" cards entitling the cardholder to buy 0.5 kilograms of meat, and the "MC" and "MW" cards, permitting 1 kilogram, would remain unchanged.) And here we would not get around a substantial rise in prices, from 206 to 400 zlotys per kilogram, that is, to the level of present free market prices. This would mean an increase in expenditures from 659 zlotys to 1.280 zlotys per person, given the present mean per capita sales of 3.2 kilograms. At the same time this would make it possible to do away altogether with subsidies on poultry and poultry feed, which amount to about 6 billion zlotys per year.

In the event rationing cards on bone)in veal and beef were eliminated, deliveries of boneless beef and pork would need to increase by 13,000 tons, or else the allotments would need to be reduced by 0.7 kilograms to 1.5 kilograms. It is pointed out here that directing bone)in beef to the open market does not insure its continuity. In June 1982, as the result of an increase in procurement of slaughter animals, as last year, supplies of meat, mainly bone)in beef, built up in the cold storage plants. In order to get rid of the meat in these plants, it was removed from the rationing system, but this situation lasted barely 2 weeks.

In order to avoid mishaps, it is proposed that bone)in beef of lower quality (brisket, shin)bone, neck), the retail price of which is currently 110 zlotys per kilogram, be treated differently from meat that is of higher grade and much sought on the market, priced at 240 zlotys per kilogram. Only the former would be sent for free sale, not requiring that rationing card allotments be reduced, because this meat accounts for only about 5 percent of deliveries. In keeping with this proposal, the price would also be higher, rising to 180 zlotys per kilogram, and would be profitable under this year's conditions.

In the farmers' markets, bone)in beef (but high)grade beef, because nobody will buy anything else) costs between 350 and 450 zlotys.

Rationing on the remaining varieties of meats and cured meat products would not come to an end until the third stage, the date of which has not been specified.

There could be other solutions. Rationing can be restricted beginning with pork tenderloin and the top grades of cured meat products, for which even now there is no great demand in the less prosperous regions of the country.

The interministry group on specifying the conditions for ending meat and chicken rationing is to finish its work by 15 July of this year and must select one of these solutions or find a better one. All indications are that rationing will continue, only its form being changed.

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COST OF STATE ADMINISTRATION SHOWN TO BE EXCESSIVE

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 25 Aug 86 p 5

[Article: "An Expensive State"]

[Text] Salaries paid from the budget--not counting the incomes of the self-managing communities of interest and those of other organizations, communities, and foundations (contributions for the construction of housing, mandatory loans, committed associated funds, local self-contributions, etc.) which, for the most part are not essentially different from the budget itself, amounted in the first half of this year to 1,005 billion dinars, which equals approximately 55 percent of all net incomes paid to those working in the economy in the same period. These data indicate that the state is a fairly expensive proposition. The taxes from which these incomes are paid do not satisfy even the most basic economic and social needs. This means that the state is even more expensive. It is, however, most expensive if one measures the quality of its services (their effect), primarily those in the area of economy.

Let us look at the quantitative side of the problem. If total budgetary expenses are compared to national income, it turns out that the budgets account for only around 15 percent of the country's national income. Of course, this is not much, especially in comparison with other countries. Such a comparison, however, is not possible because the budgets of other countries for the most part contain a number of ways of collecting and dispensing funds which in Yugoslavia are included in so-called joint consumption and in the incomes and expenditures of other self-managing organizations, communities, and foundations.

The income of the self-managing communities of interest in the sphere of social services amounted, in the January-June period of this year, to 1,603 billion dinars, which was approximately 60 percent over what the budget took in. Other incomes (organizations, communities, and foundations) came to 578 billion dinars. These two groups of incomes exceed 2,180 billion dinars, and together with the budget they come to 3,185 billion dinars. All these expenditures account for 45 percent of the national income, which is very high. It would be high even for developed countries, and it is particularly high for Yugoslavia. This is because a high degree of transfers of funds coupled with a low per capita income has mostly negative economic consequences. (Funds are distributed equally at a low level, and there is a lack of motivation.) If, in addition to this redistribution of funds, one looks at those taking place in the economy

through the intervention of the state (through prices, interest on loans, association, uncovered losses, etc.), it becomes fairly clear why the social product has been stagnating for 6 or 7 years and why it is decreasing in a per capita sense.

In the first half of this year, the incomes of the self-managing communities of interest have grown by 125 percent. While most of these funds went for handicapped and retirement pensions, and health insurance and education, other expenditures should not be underestimated. Expenditures for scientific work increased the most (by 180 percent), as did those for culture (by 141 percent). It is too early to gauge the effects of such increased expenditures for science and culture. It is certain, however, that this decreased the dissatisfaction of those employed in these institutions. Almost 90 percent of the funds collected for the self-managing communities of interest involved in social services come from contributions from income and personal income. These contributions are calculated in percentages, just like taxes, and so, regardless of the formal difference in name, there are no essential differences.

The incomes of self-managing organizations, communities, and foundations of socio-political communities are derived in a similar manner. The loan to the Federation Foundation for Developing the Underdeveloped Republics and Kosovo is quantitatively the largest. Even though it is a mandatory loan, it is essentially a tax both in the manner in which it is collected and in the way in which the funds are removed. It is clear that, due to inflation which ranges between 60 and 90 percent, the principal of the long-term loan carrying an interest rate of 3 percent is disappearing very quickly. The same situation prevails in regard to the associated funds that were set aside by the self-managing communities in the area of production, along with contributions for other self-managing communities of interest, foundations, etc.

The nature of the tax system is such that it perforce makes the state more expensive. Over 80 percent of the funds for the budget are obtained through taxes on transportation and tariffs. This causes a divergence between the tax burden and the economic strength of the taxpayer, ignores the social functions of the tax system, and makes it virtually impossible to increase the volume of economic activity and achieve a structural and regional redirecting of the economy; it also encourages trends that go against economic cycles.

Over 280,000 employees are engaged in performing state functions; they are employed by organs of the socio-political communities, political organizations, self-managing communities of interest in social services, and the chambers of commerce. One could say with virtual certainty that at least another 200,000 are engaged in economic organizations and social services. They are performing tasks imposed by state and quasi-state administrations (from tracking, calculating, and paying taxes on transportation, to preparing, monitoring, and interpreting internal regulations, self-managing agreements, social agreements, and other regulations). This is a large army of people supported by those involved in production, and its salaries are only a minor, incidental burden. The main burden is the damage caused by its activities.

There is a great deal of general as well as specific evidence. Who is to blame for stagnation of production of many years' standing, the fall of

standards, Yugoslavia's accelerated economic falling behind, high inflation, large foreign debts, and foreign funds that were expended in an unproductive manner? There are innumerable specific examples as well. There have always been such examples, and they are not any less numerous today. For example, there is the decision to roll back prices to levels they were at before 9 June 1986; and the temporary restrictions on funds for salaries. The implementation of such decisions has consequences that completely overwhelm what little is left of sound economic logic and motivation.

There is not an ounce of reason when a solid producer is forced to lower the price of a product that was selling for less and which even before was less expensive than the product of another producer who raised his price before 9 June. Also, the consequences of the implementation of the regulation on limiting the disbursement of salaries make no sense. Solvent and profitable organizations have been forced to lower salaries, while insolvent organizations whose production is earmarked for the reserves financed by nominally expensive loans were able to raise salaries (because interest on loans has the same status as enterprise's profits). What are all these coordinating bodies (from the enterprise to the republic) doing in evaluating the validity of internal regulations, self-managing agreements, and social agreements on income distribution?

All of this proves that the state (and quasi-state institutions) is not expensive primarily because taxes and contributions are high. It is expensive primarily because of its economic functions and the way in which it performs these functions. It would be incomparably cheaper, even if taxes were not lowered, if the state were to stop performing most of these functions.

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NEGATIVE ASPECTS OF CHANGES IN FOREIGN INVESTMENT LAW

Belgrade EKONOMSKA POLITIKA 25 Aug 86 pp 20-22

[Article by Milan Kovacevic: "Foreign Investment: Law Against Law"]

[Text] In contrast to earlier changes in the Law on Foreign Entities' Investments in Domestic Organizations of Associated Labor, which was accompanied by dialogues between the proponents and opponents for making foreign investments easier to get, the current change in the law was done quickly and without any public comment. Still, it was clearly stated in some documents that attracting foreign investments was a better way of obtaining foreign capital than borrowing. Consequently, one could expect the current changes in the law to be a step in that direction. Looking at the substance of the changes will tell us whether or not that is the case.

At the end of 1984 when the law was changed for the last time, there were many reactions to Article 8, which regulates credit. Article 8 states that an agreement on investment "may" stipulate that investors "obtain through loans" part of the funds for joint investment. Such loans, however, "may not be greater than the amount" of the investment, and they are to be repaid from the proceeds, thus decreasing the investors' profits. Furthermore, if such proceeds are not sufficient to repay the loan, the investors must "ensure" funds "in proportion to the agreed-upon risk."

Such stipulations created a major problem that threatened to overshadow the improvements that were made. Confusion was created by having an agreement on investments provide for loans because in the conduct of business funds are constantly borrowed and repaid. Investors are usually not the ones to obtain loans. Instead, they are approved by banks and other financial organizations directly for the organization into which the joint investments are made. In countries with the highest rates of self-financing, loans on the average, exceed investments, while in developing countries borrowings are usually at least three times greater than investments, and so it was not possible to find any reason to curtail them sharply. Above all, it was impossible to understand the request that the loans be repaid from profits, since it is well known that loans or their repayment have no effect on how business is conducted. The method of repayment in cases where there was not enough profit created the threat of unlimited liability on the part of the investors, and this was clearly unacceptable to them.

How to Repay Loans

There came about an official interpretation of Article 8, intended to have the least amount of negative consequences (2). It was stated that it dealt only with special "joint credits" and that it would not be applied to credits regularly utilized by joint investment ventures. Investors may take out joint loans and use them to repay their investment. Repaying such loans from profits gradually transforms them into real investments. In the event that there is not enough profit to repay it, the joint loan could be repaid by decreasing the investors' regular investments.

Even though "interpretations" may have helped, they caused as many new problems. Some investors attempted to substitute borrowed funds for their investments, which was exactly the opposite of the desired decrease of foreign loans in investments. This is why the most recent changes in the law deal with this article (3). The obligation to have the loan repaid from the investors' profits has been rescinded. It says that loans "for importing equipment and technology" may be repaid from amortization or other means. It is difficult to predict what will happen to loans for other purposes. The situation will be even worse if the aforementioned interpretation of Article 8 remains in force. The fact that the first paragraphs of Article 8 have remained unchanged would unambiguously lead one to believe that this is the case. A loan repaid from amortization and other means is clearly no longer a "joint loan" intended to increase an investor's exposure.

At any rate, it has been explained that "joint loans" which only Article 8 addresses are only special loans and that its stipulations will not apply to other loans taken out by joint investment ventures. The admission that amortization may be used to repay them has removed the last exceptional quality of these loans, in spite of the fact that the second paragraph of Article 8, limiting the loans to the amount invested, has remained in force. This limitation used to be bearable when it pertained only to special "joint loans." Now, it has become unreasonable because it once again applies to all loans taken out by joint investment ventures. To be sure, suspicions still exist that this is not a matter of simple ordinary loans but rather, as stated in the first paragraph of the Article in question, loans "envisioned" by the agreement and "obtained" by the investors. Thus, by grafting the last two paragraphs of Article 8, which were changed, to the first ones which have remained unchanged, a riddle has been formed that will not facilitate foreign investments.

Also, it is not easy to gauge the scope of the changes to Article 22. The workers of an organization involved in joint investments continue to distribute net income into personal incomes and joint expenditures in accordance with the general act pertaining to organization, with the proviso that "the act cannot conflict with the obligations undertaken through the agreement on investing." Possibly, this means that this distribution could be regulated by agreement, but then such regulation becomes superfluous, because it must conform to the act as a whole. Foreigners will be confused by the next paragraph of this Article which demands that the remainder of the net income be divided "according to contribution to results achieved, in accordance with current and past work" into a portion for the domestic organization and profit for the foreign investor.

Furthermore, changes to Article 29, which deals with losses, cause uncertainties. Until now, this Article understandably talked about losses incurred by a domestic organization that was using a foreign entity's funds. The new text treats losses in "the joint conduct of business by a domestic organization of associated labor and a foreign entity." It forgets that, on the domestic side, in addition to the investing organization, there is frequently another domestic organization receiving investments. Furthermore, it is wrong to talk about losses incurred by the foreign entity when it is clearly only a matter of a loss by the organization into which funds were invested. Furthermore, the earlier definition of a loss in this article corresponded to the definition of a loss as defined in the regulations on the results in the conduct of business. The new formulation talks about a loss when the income is not sufficiently large to "meet the obligations," even though such an income in fact diminishes some of the obligations.

Contradictory Regulations

Still, most of the problems are caused by the new Article 34a which causes a serious deterioration in the conditions for foreign investments in regard to the transferability of the foreign entity's claims. One should remember that this is the most sensitive issue for foreign investments. According to one survey, most of the foreign investors put the issue of transferring their claims in the first place (4).

From the very beginning of the practice of foreign investments, a great many foreign investors have demanded bank guarantees as a means of ensuring the repatriation of their investments. Changes to the regulations have made more and more clear the foreign investor's right to repatriate his investment after the agreement to invest has run out or ended. The last Law on Foreign Exchange Dealings states clearly that such repatriation is done "freely." It is therefore truly amazing that now a major step backward has been taken by stipulating that "the return of invested funds" is now "to be paid out from part of the paid-for exports in accordance with the joint conduct of business." At any rate, investments are usually returned after the joint investment venture has ended, when there can no longer be any "exports in accordance with the joint conduct of business." Above all, what use is the bank guarantee then?

Even in the past the transfer of profits was regulated in an enigmatic manner. Article 30 of the Law on Investments stipulated that this right must be harmonized with the Law on Foreign Exchange Dealings, while Article 139 of the same Law stipulated that the transfer of profit must be conducted "as prescribed and under the conditions stipulated by the agreement on investment" "in accordance with the agreement and federal law." This conflict in the laws has officially been interpreted to mean a free transfer of profit on the part of the foreign investor, i.e. with no restrictions and with no need for exports. Before this reached the wider circle of potential foreign investors, however, the new Article 34a stipulated that the transfer of profit may be paid to the foreign investor "from part of the paid-for exports on the basis of the joint conduct of business." This means that once again the transfer of profit has been made considerably more difficult and clearly dependent on the

realization of exports from joint investments. It remains to be seen why this was done and whether the authors of this stipulation were aware of its negative effect on potential foreign investments.

The last paragraph of the new Article 34a also regulates the problems of the scarcity of foreign exchange which had been regulated by Article 110 of the Law on Foreign Exchange Dealings. Regarding claims on foreign exchange, it gives priority to obligations toward foreign investors, both in regard to transfers of profits and repatriations of investments. This, however, will not make the situation any easier for foreign investors. Obligations toward them are still contingent upon exports and can be made a priority only when the requirement for exports is satisfied.

Regulations dealing with foreign investments are, on the whole, really in a bad situation. Many of the stipulations in one regulation are in direct contradiction to those in other parallel regulations (5). Some of the regulations are unclear, and others are unnecessarily restrictive. It is therefore certainly necessary to change and improve the regulations. This, however, cannot be achieved "through special procedures," only through a calm analysis of all the conditions in Yugoslavia, and a comparison between them and the conditions in other countries. A deteriorated situation for foreign investments, which always happens in conjunction with any improvement, has unfortunately become a tradition in changing regulations in this area. This cannot, by any means, bring us to the desired goal of some day attracting more foreign investments that would be useful for the domestic economy.

ENDNOTES

- (1) The Law on Investments by Foreign Entities, Official Gazette of Yugoslavia 5/85.
- (2) Published by the Federal Secretariat for Information.
- (3) Published in the Official Gazette of Yugoslavia 38/86.
- (4) See Artisien: Joint Ventures in Yugoslavia, Gower, 1985.
- (5) A more detailed presentation in MK: A List of Incompatibilities and Contradictions of Various Regulations on Foreign Investments. INVESTICIJE 1/86.

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INA CHIEF ON FINANCIAL ASPECTS OF OIL INDUSTRY

Zagreb VJESNIK in Serbo-Croatian 28 Sep 86 p 4

[Interview with Petar Flekovic, chairman of the Professional Management Board of the INA Composite Organization of Associated Labor, by Vlado Rajic; date and place not given]

[Text] The last time I knocked on the door of Petar Flekovic, chairman of the Professional Management Board of the SOUR [Composite Organization of Associated Labor] INA, it was practically the first time for both of us in the office of the top man in the giant of the oil industry. It was not unusual at all for the reporter, nor for the subject of the interview: at that time he had just taken up that position.

Four years ago I think that we were both discovering the details of the office at the same time, trying to decipher the signatures on the paintings on the walls, and to see which parts of Zagreb could be seen from the window. Today the office reflects its occupant in many little details. We sat down, we drank tea and coffee, we smoked cigars and cigarettes and talked, it was a sunny day.

Four years ago we talked about the relations between INA and the government, between oil and politics, we talked about the belief that income flows like nectar for the workers of this collective, and I asked Flekovic about the "Kuwait atmosphere" which radiates out into the public from INA. Both then and now INA was the first in gross income among the 200 largest collectives in the country. The meeting with the tape recorder running began this way: "Here I am again." Flekovic replied to that: "Good to see you." It was easier all at once.

Only a Skeleton Would Remain

[Question] There were many things which you announced when you came to INA. What has changed since a few years ago?

[Answer] Well, there are several changes, both external and internal. First about the internal changes: We initiated a process of internal linkage on the basis of the economic interest of the parts of the collective, and that has been accompanied by opening up INA more to the outside. A typical example of

this is the realization that we had entered a phase when the success and organization of the marketing of our products on the domestic and foreign markets depended upon joint presentation of everything we produce through INA-Trgovina [marketing subsidiary] instead of the monopoly conflicts we had previously had with other petroleum producers. That attitude toward the market raised the question of transport, of traffic control centers, of computerized monitoring of that entire process, of a new organization of work, a change of internal economic relations, margins, discounts....

The next thing was that we joined Yugoslav producers and undertook--and I emphasize--in an organized way the production of equipment to meet the needs of the oil industry. The results are well known; we are ourselves able to produce compressors for our stations: the platform "Labin" is the product of our own know-how and ability, and then the pumping units for pumping out the oil, installation of equipment at Molve, a portion of the electronics in this production through collaboration with "Koncar" and "Energoinvest," and we are joining the latter in undertaking research, design, and production of catalysts. Are more examples needed?

[Question] No, they are not. Tell me, when INA chooses a partner, how does it do this and according to what criteria: on a republic basis, political basis, directly, or through competition?

[Answer] Exclusively on the basis of our own business and economic interest. We have reduced the importation of equipment, to some extent we have developed the domestic industry, we have equipped ourselves so that we can enter certain undertakings on our own, by relying on our own resources, our own technology, and everything else that goes with it.

[Question] Does that mean that INA is no longer what was once rather bitterly referred to as the "Croatian oil firm"?

[Answer] In my opinion INA was never an exclusively Croatian firm. That epithet was more forced upon it than it was really justified. Perhaps the aim of opening up INA was not so pronounced earlier, since at the same time the forces capable of taking this on were not open nor organized. Today if we were to exclude from INA everything that is somehow connected to parts of organizations from throughout the Yugoslav economy, a skeleton would remain that would not be able to survive on its own.

I would add to the previous list of examples one other which provides a precise illustration of what I am saying. We have a contract with the West German firm "Hoechst." This is a chemical and pharmaceutical concern. The contract is being carried out by five organizations from within INA and another 15 from the rest of the Yugoslav economy. Under it, then, the Yugoslav economy, not just INA, is delivering to the foreign trading partner goods worth \$150 million a year, and in return it is feeding some petroleum and its own goods into the flows of those 20 domestic organizations. Isn't the interwoven nature of this interest in reproduction and these export production operations a stronger attribute than that petty political attribute on an ethnic basis?

What the Oil Industry Wanted...

[Question] Back when you came to INA you promised to clear up internal accounts so that the collective could be unified in taking a position on major policy and concerning its interest incorporated into the strategic oil industry. Have you succeeded in your aim?

[Answer] It might be put this way: This clearing up of accounts is never-ending. As soon as you close some accounts, others open up, and it goes on that way. INA's multilevel structure comes down to exploration for oil and gas, refining, and then marketing and export. At all those levels interests of some kind are created, and in all of this we have dollar debts, we have dinar consequences of those debts in exchange-rate differences and interest. In that regard things are crystal clear.

We know how the debts are to be settled, by what, by whom, how much, and by what time.

We should not get away from the solidarity which helped us to overcome the consequences of our last phase of development, but equally the fact that solidarity has gone as far as it can go; from here on we must be on our own. In the context of the deteriorated financial condition of the economy in general, under conditions in the oil industry which I judge to be more difficult than those in 1982 and 1983. The price of oil has fallen, the revenues of the oil industry have fallen off, costs have risen steadily, the yield from domestic petroleum has dropped, and the program in that sector has been cut back, exchange-rate differences and interest are swelling, and all the results and forward progress the collective is able to achieve through its effort and business policy melt away in all those circumstances.

[Question] Now let us break all of that down a little bit. First, so long as there is oil, the government will be motivated to satisfy some of its own interests and will thus dictate the price of oil and petroleum products. The consumer, however, sees the intervention of the government as protection of the oil industry through the concern of the government. That is why it is believed that the ignorance or inability of the oil industry and the ineffectiveness of government measures--comprise a coalition that is paid for in the prices at gasoline pumps.

[Answer] There have been moves made in the oil industry which encourage the assertion you have expressed. We know that, and we are combating them to the best of our ability. That is one thing. It is quite another question as to why the general public refuses to accept the arguments, even when it is allowed to see how much of the retail price of petroleum products is left to the oil industry. Everywhere in the world, and we are no exception, it is the government that collects the difference between the planned price per barrel and the price at the moment, not the oil industry. In our case this amounts to 147 billion dinars. The oil industry asked to be left at least that portion intended for continuation of exploration for domestic petroleum, but so far that request has yielded a practical result. The picture is still clearer when we look at the structure of the retail price of a liter of high-test.

When you the consumer pay 195 dinars, 63 dinars goes for the refinery price, the amount from which the oil industry is supposed to realize all its income. Then there are 5 dinars of the refinery margin added to that.

Then come those notorious elements, and people refer to the 3.4 dinars for storage facilities (this is a topic which must be raised in the very near future, since immense amounts of money have been invested in storage facilities, and there is a question whether this contribution and normal reproduction are justified), 44 dinars for the rest of the economy, 34 dinars in taxes, and then a few more dinars for storage facilities, and then 8 dinars for exploration for domestic oil and gas, which we have not seen as yet. And I must say that there are new requests for expansion of certain elements in the gasoline price. They are a reflection of the larger appetites in view of the positive difference between the retail and import prices.

The Canard About the Oil Industry's Money

[Question] Does this mean that those appetites are motivated by the logic of the street: the oil industry has money, it should be taken away?

[Answer] Yes, it does, especially if by the logic of the street you mean not the logic of the consumer, but the logic of those social and government structures which have gotten a whiff of money and are looking for ways to take it away, which they would refer to as changes in distribution.

[Question] Does this mean that there has been no change even in the logic which led to the creation of republic refineries, republic processing capacities...?

[Answer] Well, I would not say that. I do not think that the redistribution which has been called for will have an impact on investments in the oil industry. On the contrary! The effects of that redistribution will be directed elsewhere. What will happen with that money in other sectors I do not know. Given the madness there has been in building petroleum facilities, there will now be a cutting back of programs, indeed even those that are clean and clear, those that have very strong economic rationale for survival. I can give you the arguments to back up that assertion.

[Question] That would be good.

[Answer] A few days ago we prepared a rebalanced version of the plan for explorations and production of domestic petroleum. In that sector we will therefore have 67 billion dinars less in revenues. And there are no possible internal measures whatsoever that can make up for that shortfall. That is, a part of the program must stand. Which means that in the redistribution of those positive differences I am arguing for an element which will cover this progress in exploration and production of domestic petroleum.

But That Much Is Necessary

[Question] Tell me, to what extent can INA formulate its own economic policy, and to what extent must it conform to the government outlines of that policy?

[Answer] Only the latter.

[Question] To what extent, then, can you be responsible for what is happening with the oil industry?

[Answer] Only insofar as it pertains to us.

[Question] What portion is that?

[Answer] Personal incomes and depreciation.

[Question] If that is the case, what is the point of your proposals for further exploration for oil, when its price will continue in the future to be more a matter of political speculation than economic rationale?

[Answer] Precisely for that reason! As a country, in keeping with our natural capabilities, we must see to a portion of explorations and a quantity of domestic petroleum as an element of our independence and self-sufficiency. It still means something to have that 4 million tons of petroleum and several billion cubic meters of gas in this crisis, and a price has to be paid for that. The question is this: With the prices of oil falling on the world market, do we intend to liquidate that activity, renounce even our own resource, or find a way of preventing that?

The oil industry accepts only the latter, especially if you as the consumer are already paying for that exploration. That money is not reaching us, and so we say: that being the case, we will fight with argument in order to get that money in the end and to continue the explorations.

[Question] When Petar Flekovic says that, does he have the idea that the message will arrive where it has been addressed?

[Answer] I am an optimist, even though I know that it is very difficult to listen to arguments when the money is on the table, but that much is necessary. Another thing which makes it more difficult is that the interest of sociopolitical communities prevails in our discussions, rather than the interest of producers. The fight has to be waged for the logic of the interests of the integrated producers, and on that basis the interest of the various communities should be arrived at, not the other way about, which has been the case up to now.

[Question] Do you really think that you are 100-percent right when you say that the oil industry represents a firm front of a unified and crystal-clear interest in exploration and when you say that they are justified in economic and business terms?

[Answer] The exploration part of the oil industry is unified. But there is also the marketing part of the oil industry, especially in communities where they neither have oil, nor is attention paid to exploration. Now even those parts, even though they get nothing from it, want to obtain a portion of the money for exploration. The interests of the producers are clear: to include

a portion for exploration work in the price of domestic petroleum formed on the basis of world price parity (since the beginning of the year that price has fallen from 72,000 to 47,000 dinars per ton). As far as the marketing part of the oil industry is concerned, the proposal is that the sales price include a few dinars for participation of those collectives in explorations which do not have domestic petroleum.

[Question] If these arguments are as sound as you say, why do they not also apply more widely than INA and "Naftagas"?

[Answer] By the nature of things, since those two organizations have for a number of years now been exploring and finding petroleum, and they know the importance of domestic petroleum.

[Question] Would you uphold the same opinion if you headed some Macedonian or Slovenian oil company?

[Answer] That is a hypothetical question. I think I would still follow the principle and logic I have presented that a few dinars in the retail price of gasoline should go for explorations.

[Question] Even though those dinars would not go into your treasury?

[Answer] Yes. Since we are paying for it in the price of gasoline already, which does not mean that I must undertake exploration on my own terrain, when there are no basic geological preconditions for finding petroleum, and it is therefore logical to invest that money where the basis does exist for investment. Which means that I would take that money and join INA, "Naftagas," "Energoinvest" in conducting explorations in the country and outside. "Petrol" of Ljubljana has invested a portion of its income, not, that is, a portion of the price, in joint explorations off the Montenegrin coast. You see, then, that it is not just my logic coming from INA. I repeat, obtaining a dinar from the price of gasoline does not mean that I must explore for petroleum within the territory of my own sociopolitical community. Domestic petroleum belongs to Yugoslavia, not to Croatia or Vojvodina, just because it was found on the territory of those parts of the country.

From the Sale, Not From the Refining

[Question] If we take the quantity of domestic petroleum as 100, what percentage is refined in the region where it is found, and how much outside it?

[Answer] We refine our own petroleum in our own refineries. In Vojvodina they refine their own. Now this is important--the products of that refining go to Yugoslav consumption. The income is realized from the sale, not from the refining of petroleum.

[Question] In view of what is happening right now with oil, with the economic crisis, domestic and worldwide, as the environment, can it be said that the domestic oil industry has undertaken anything that would resemble optimization, activation of internal potential?

[Answer] That is not a matter of this particular moment; the processes you refer to have been going on for several years now. I cannot speak for everyone, but at the heart of the oil industry it was long ago recognized that we have too much capacity in the country. We have a primary processing capacity of 30 million tons. Primary processing means pumping the petroleum through the refinery and extracting from it residual fuel oil and a few more products. That, which we refer to as the black phase, is not a measure of capacity. We have turned our refineries into producers of residual fuel oil, and accordingly we cannot compare on that plane with the rest of the world, since criteria like that do not apply there.

However, within those 30 million tons we have some installations which are 20 and 25 years old and in a few years will be scrapped both on a technical and a technological basis. The real oil refining capacity is the secondary capacity, which extracts from the petroleum both black and white products, plus the aromatics. We have about 15 million tons of that capacity. INA accounts for 7 million tons of that. Our goal, then, is to steadily increase the utilization of those secondary installations. The first item in that program is to fight for a larger quantity of petroleum. Now connect that to the 4 million tons of domestic petroleum and let the share of domestic petroleum be increased, and the criticism that in looking for domestic oil we are each one looking out for himself and exploring for our own republic petroleum on our own territory.

First it would be unimaginable for two or more petroleum companies in the country to enter into joint exploration; today we are organized by well both in our country and abroad. The second program is exports to countries which pay in oil. The third is to derive benefit from aromatics installations, like the complex that was recently opened up at Sisak. The fourth program consists of contracts on long-term cooperation, as the one that was mentioned with "Hoechst," which contains, for example, half a million tons of petroleum. Those are the things which we are undertaking, and they are the most important and sufficiently persuasive argument that something significant and responsible is taking place in the oil industry. You know it is another question whether the constructive trends concerning the price of oil will be altogether pumped into other activities and purposes or whether a portion will remain to the oil industry for conducting explorations.

What Does the Third Package Offer?

[Question] Is the mentality of the domestic oil industry such as to bear responsibility for optimum investment of the requested portion of the retail price of gasoline?

[Answer] Absolutely, that never was a problem.

[Question] How, then, do you interpret the mistrust which is part of the reluctance to have the dinar for exploration collected at the gasoline pump go into the account of your exploration components?

[Answer] It is not mistrust; the situation is simply such as to offer an occasion to get a bit of money, they want to spend that money for other purposes, and that is all there is to it.

[Question] Will "this" change when Mikulic's third package is opened? As a business executive, what do you know about its content?

[Answer] I know the content, I know that it will talk about prices and price relations, all the way to amendments and laws embodying the system. But as to the essence of that content, that is something we shall have to see. We are taking every occasion to make that essence as certain as possible, from discussions in the economic chamber to the association of producers so that we can present our arguments and fight for them.

[Question] Are those arguments exclusively oil-colored, or do they also presuppose the interest of the economy as a whole?

[Answer] Petroleum is only our point of departure, but we have gone a long way in affirming and seeking new interests in reproduction. Precisely because I feel that it will not be possible for the packages of the Federal Executive Council to contain all the solutions unless at the same time the economy pursues that interest in establishing linkage. Here is an example: The Yugo contains 100 some kilograms of plastic obtained from petroleum production. We provide the first filling of lead-free gasoline for that Yugo program. And the question of the quality of this third package is raised about those details: In all its measures will it support those processes which already exist and which are visible, will it encourage them and open up room for them, or will it place us in a situation of having to survive behind our own walls? As has been the case up to now.

Discussions, But Real Ones

[Question] How do you explain that in the debates announcing the third package the emphasis seems to revolve around the content of the package, and these business processes you mention are not acknowledged at all?

[Answer] If you are asking me why that is the case, there are several reasons. The first is the passivity of the economy itself and the belief in the omnipotence of the measures of the Federal Executive Council. The second, and it is not insignificant, is that people refrain from making known all those linkages and connections which the economy already has and is nurturing. The feeling is that the public does not like this, and so they impose on that same public various other topics which are presumably more attractive. For example, what is more attractive: the vertical linkage of the economy or exceptional pensions? What is more attractive: the new spirit which the Yugo program has brought into the economy, or all the topics covered in discussions about amending the Law on Associated Labor? But it is precisely that initiative of "Crvena Zastava" that is at the center of the discussions about the Law on Associated Labor. The question of the linkage of the economy is the essential one, not whether OOUR's will have their own giro account or not. The third reason is the desire to have everything happening in the system stamped as worthless, as expensive and slow.

And the conclusion can be reached from a few examples that the economy itself has crystallized out a completely new organization of production, one that is

much more efficient, and it has done so without public affirmation and without a great amount of discussion. I am not in favor of long discussions, but I consider them necessary if this new organization were able to serve as a possible way out of the crisis. Is this the way out of the crisis: production of gas, refining that gas in Kutina to make fertilizers, the role of fertilizers in food production, and the sale of that food through the tourist market? If Kutina remains alone forever, within INA, if the political support is lacking for opening it up, not declarative support, but development support, then we cannot break up the fronts of separatism we have been colliding with. We in INA have four refineries. The time has come where we must ascertain in one place, on a computer card, which of them should refine what oil and for what market in the most optimum economic and every other sense.

[Question] Is that logic which you are advocating clear to the people at INA?

[Answer] It is. Not to everyone, there is ignorance, and resistance is always a consequence of something. Anyone who has losses naturally resists, since he doesn't know the solutions. That is the situation we are in; however much it bothers me that that logic is not supported outside, it bothers me even more that it is not supported by people in INA. That is why what is hidden in the essence of the third package is decisive. If it offers support to the concept of development and linkage, there will be fewer problems.

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ELECTRIC POWER SUPPLY SITUATION FOR 1987, CURRENT PROBLEMS NOTED

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 1 Sep 86 pp 13-14

[Article by D. Nedeljkovic: "The 1987 Balance"]

[Text] The exceptionally favorable rainfall situation which has lasted from the beginning of this year has virtually forced electric power organizations into new forms of cooperation. In order to utilize the water flow as much as possible, thermal powerplants have been taken off line, shut down, and placed in reserve. This was done according to how expensive the fuels were: the first to go were the ones using liquid and gaseous fuels, to be followed by those using coal. Such a method of utilizing resources and making optimum use of the system from a financial standpoint is, to be sure, something new in domestic relations and, at the same time, common practice everywhere else in the world.

In making optimal use of electric energy systems nationwide, however, deep-seated problems emerged. We shall mention only two groups of difficulties. One lies in the technical method of managing the electric energy system, which is aging, obsolete, and inadequate for large-scale modern operations. The current system of technical management of the Yugoslav electric power industry was launched 15 years ago, when the installed power of all electric power plants amounted to 6,800 megawatts, and annual production was 26 billion kilowatts. In the meantime, the system has expanded and today we have 20,000 megawatts of power in the power plants and 80 billion kilowatts of production. A new, modern system of technical management, complete with computers and modern communications, has been under discussion for years. Foreign credits (from the International Bank for Reconstruction and Development and the European Investment Bank) have been secured, but they are not being utilized.

The second set of problems consists of relations among electric power organizations or, to be more exact, the status and authority of dispatchers and managerial bodies. It has happened that even very economical power plants have stood idle (which has caused difficulties for the coal mines), while electricity was being imported. Some socio-political communities have forced electricity onto lists of goods to be imported in order to ensure sales of other products and "link" their own interests, thus preventing or at least limiting optimal utilization of the electric power industry.

Next Year Without Losses

It is too late to untangle these relations this year. Consequently, it would be necessary to prepare clear accounts for next year. The Association of Yugoslav Electric Power Industries has prepared a preparatory overview of the electric power balance sheet for 1987. The most important news is the fact that there will be no shortages of electric power. A balanced balance sheet, however, is the sum total of the consumers' needs and the republics' and provinces' ability to produce which, when viewed individually, have vastly different situations. Macedonia, Bosnia and Hercegovina have balanced balance sheets. Montenegro, Croatia, and Vojvodina have shortages, while Slovenia, Serbia proper, and Kosovo have a surplus. At first glance, it would seem that even the simplest mathematical operation could balance out the surpluses and shortages. Even if that were to happen, however, there would be a surplus of approximately 1.1 billion kilowatts.

The complex relationships among the electric power organizations, established without regard for economic criteria, and especially relations with foreign countries, complicate the matter. The question is not whether the surpluses can be relegated to areas which have shortages, but at what price. This year assertions were made that "linked" deals with foreign countries ensured more favorable prices for imported electricity. If this is true, there should be no artificial obstacles to importing electricity, but one should view this in a comprehensive, long-term manner. It is known that organizations with surpluses can obtain more favorable export prices if they sign a firm export contract ahead of time, instead of relying on ad hoc offers from time to time. Organizations with shortages, however, do not allow such contracts, demanding instead that their own balance sheets be balanced first.

The preliminary overview presents a realistic electric energy balance sheet for 1987. Consumption should rise 4.5 percent and production should rise 2.7 percent. It is estimated that only two new power plants will go on line: the Kakanj thermal power plant and the Mostar hydroelectric power plant. At the same time, however, thermal power plants will be utilized considerably more than in 1986. Total production should fall somewhat short of 84 billion kilowatts, and production should reach close to 83 billion. The planned power plant production will require 65 million tons of coal, approximately a million tons of mazut, 706 cubic meters of natural gas, and 16 tons of uranium for a partial replacement of nuclear power plant fuel.

Right now the outcome of discussions concerning mutual deliveries and exports and imports of electricity in 1987 is uncertain. Still, the electric energy balance sheet is adopted at the end of the year, and there is still time to remove unknown quantities and coordinate them. Right now, the experts feel that approximately 2.5 billion in foreign trade in both directions should be added to the balance sheet.

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COAL AS INTERIM SOURCE OF POWER DISCUSSED

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 16 Sep 86 pp 21-22

[Article by Dragoslav Nedeljkovic: Competitiveness and Protection of the Environment: Can Coal "Bridge" the Energy Needs Until the Middle of Next Century? The Cost of Protecting the Environment Makes Coal More Expensive, but In A Socially Acceptable Manner; How To Build Nuclear Power Plants in Yugoslavia?"]

[Text] Five years ago, at the initiative of Oslo University, the Yugoslav committee of the World Conference on Energy organized an international conference entitled "Energy and Society," which has become a traditional meeting of energy experts, economists, sociologists, political scientists, and other experts. Every year a topic dealing with the impact of energy on society or, to put it more exactly, with society's adaptations to changes in the production and consumption of energy are discussed at the Dubrovnik Inter-University Center. Coal today and in the future was the topic discussed by Yugoslav and foreign experts.

In addition to technical and technological aspects of production, transportation, and consumption of coal, the international meeting in Dubrovnik also discussed all the influences that the consumption of coal has on the economy and society, especially in regard to pollution and environmental protection. A new phrase has been introduced--the social cost of producing energy--which in reality is a multidisciplinary study of all the effects that the production and consumption of energy have on society as a whole. Even though this phrase has not yet been exactly defined or accepted everywhere in the world, it has become a very fashionable topic to which entire volumes of study have been devoted.

A Bridge to the Future

A return to coal, which eminent world institutions have called "a bridge to the future" at the height of the energy crisis, implies that at a time of limited resources and high prices (most informed people agree that the fall in oil prices is temporary and that a new jump is on the way), problems in utilizing nuclear energy, and waiting for new technologies which will come about by the middle of the next century, it could ensure an abundant and certain energy source. Reliance on coal for approximately seven decades could be explained as a world scientific and technological crisis, but coal was not selected at random.

First of all, coal is the most widespread energy resource known to man, and it accounts for approximately 80 percent of energy resources. The other sources, such as oil, natural gas, uranium, shale, and new and renewable sources represent less than 20 percent of known reserves. While the availability of coal and the fact that it can be found in almost all countries are the strongest argument, it is no less important that the technologies for digging, processing, transportation, and consumption are well known and commonplace, and the price of the entire undertaking is acceptable. A major increase in the production of coal would also contribute to overall development and make possible major deals. At the same time it should be kept in mind that in the past decade a great deal has been achieved in perfecting technologies and launching new methods of exploiting and using coal. In other words, coal can be transformed successfully and at acceptable cost into liquid, gas, or electrical energy.

In view of the well-known energy poverty of Yugoslavia (a relative one because, while we have only one-sixth of the world average of energy, we are still one of the richer European countries), coal is the major and most important energy source. As much as 84 percent of Yugoslavia's energy resources are coal. Oil and natural gas account for only 2.5 percent, while hydroelectric power, nuclear power, oil shale, and all other energy sources account for 13.5 percent. Energy independence, or at least a significant decrease in dependence on imported energy, is one of the main goals of the energy policy of most countries. In Yugoslavia, only reliance on coal could make this possible. Even though domestic coals have, for the most part, low caloric value (lignite accounts for almost 90 percent of the reserves), the concentration of resources in a few major fields and easy access compensate, according to the experts, for the poor quality. Most of the coal can be reached by strip mining, with the aid of heavy machinery and automation. This makes possible high productivity and lower costs. Approximately 10 percent of the lignite could be exploited with a one-to-one ratio between coal and surface soil, and approximately 40 percent with 3-6 tons of surface soil for each ton of coal. Such fields are no longer to be found in Europe.

To be sure, Yugoslavia's return to coal was mentioned as early as the previous medium-term development plan, but because of a number of unresolved systemic, financial, and similar problems it was not implemented on time. The strategy for the long-term development of energy, which is part of the Long-Term Economic Stabilization Program, places coal in the right place in Yugoslavia's energy plan. What remains to be done is to have the development programs until the end of the century specify and implement the adopted positions. As an example, in contrast to the 70 million tons produced last year, Yugoslavia should produce 310 million tons of coal in the year 2020. That would make coal account for approximately 44 percent of the country's energy consumption, in contrast to the current 37 percent.

Increased coal production, however, does not only mean using more domestic energy sources, adequate stability, and a better balance-of-payments, but also, above all, the chance to develop a whole series of branches of the economy; from producing machinery and equipment for the mines to transportation and utilization facilities such as thermal power plants, energy conversion plants,

heating plants, etc. This would affect major machine building and electrical machine building plants, producing equipment that we had for the most part purchased abroad and which in the past few years has been produced domestically more and more.

Effective Protection

Exploitation, transportation, stockpiling, and consumption of coal are activities that greatly pollute the environment. All of their phases pose a threat to the land, water, and air. The extent of pollution varies and is to a large extent contingent upon the quality and characteristics of the various types of coal. Exploitation of mineral resources, urbanization, building of highways and other transportation systems have rapidly decreased the arable land in the world. The forecast is that by the end of this century arable land will diminish from its current 0.4 hectares per inhabitant to 0.2 hectares, partly also because of the increase in the world's population. Under current conditions the minimal amount of land necessary to feed people is felt to be 0.22 hectares [per capita]. Yugoslavia is at the world's average and will probably still be there at the end of the century, which means that it will have less than the required minimum of arable land necessary to feed the population. In certain parts of the country, for example, Bosnia and Hercegovina, there will be only 0.18 hectares per inhabitant.

Since coal mining, especially strip mining, destroys large areas of arable land, effective means of land reclamation have been sought for years. This is not simply a matter of moving entire hills in order to get at the coal, but also disposing of slag, purifying polluted water, disposing of cinders, ashes, and unburned waste from thermal power plants. If one were to add to this air and water pollution caused by cooling thermal power plants, and suspended particles and gases, one would only hint at the problems that coal poses for the environment.

In spite of its effect on land, water, and air, and its indirect effects on the health of the population and the expenditures necessary to remove such hazards or to reduce their legal limits, the experts in Dubrovnik are convinced that coal is economically competitive with other energy sources and a socially acceptable solution. Regarding most of the damage to the environment, there are technical and technological solutions for the prevention of pollution. There are examples of complementary developments of a whole series of activities dealing with environmental protection systems. Kreka and Kolubara provide examples of reclamation of strip mined areas and methods of slag disposal that completely change previous ways of thinking.

Kolubara, the largest coal producer in Yugoslavia, has successfully "revived" an area of 934 hectares. It has planted forests, wheat, corn, oil beet, alfalfa, and other agricultural crops. It turned out that trees grow faster on reclaimed soil and agricultural crops have larger yields. Kreka notes it has made the cultivation of soil easier because reclamation has created large tracts of level land, and the forests, fruit trees, and agricultural crops that were planted have given greater yields than others in the area. The Poles quoted examples of producing building materials and ceramics, and of creating artificial lakes for irrigation after reclaiming land from which coal had been mined.

Naturally, all of this does not mean that one should not devote more attention to environmental protection in the future, both to specific actions, the construction of installations based on available technologies, and new technological achievements. Depending on the regulations imposed by society, one may talk about how effectively the environment is being preserved during the production and consumption of coal. One significant aspect of coal combustion has not thus far been taken into consideration or even measured. We are talking about carbon dioxide as a product of combustion, not only of coal, oil, and gas, but also as a result of the breathing of live organisms.

Coal combustion creates 25 percent more carbon dioxide than oil and as much as 75 percent more than natural gas. There are more and more adherents of the idea that carbon dioxide produces "acid rain," which is destroying forest trees and other plants and creating an envelope around the earth that is preventing the penetration of sun rays, raising the temperature, and changing the climate. Research has shown that in 100 years, the amount of carbon dioxide in the atmosphere has increased by 15 percent and that in the past few years it has been growing at an annual rate of 0.4 percent. Some people feel that this could cause major upheavals on the planet. Clearly, the problem is a global one and will have to be resolved at that level.

[Boxed interview with Momcilo Simonovic: "Lethargy in Decision Making," date and place not given]

We asked Dr Momcilo Simonovic, a professor at the Mining and Geological Faculty in Belgrade, whether domestic reserves could "cover" energy needs, and until what time.

Simonovic: The coal reserves that were known during the preparation of the Long-Term Energy Development Strategy were sufficient to satisfy all needs and every form of development--gasification, conversion, briquette-making, and the needs of the planned thermal power plants until the year 2010. This of course includes the useful life of all the installation that would be built until then. This is understood to include the projected growth in energy consumption, and the development of the economy and society envisioned in the Strategy, along with the utilization of other forms of energy, including the construction of four nuclear power plants having 1,000 Megawatts of installed power.

Today, the confirmed reserves of coal are 41 percent greater than those assumed by the Strategy.

EKONOMSKA POLITIKA: Does this mean that a greater reliance on coal is possible? Specifically, is it possible to postpone the building of nuclear power plants because of greater coal reserves?

Simonovic: One needs 10 million tons of coal annually to run a 1,000 Megawatt thermal power plant. This means that we have enough "new" coal to run four such power plants for approximately 150 years. One has to take into account, however, that building new thermal power plants would make the "new" coal reserves last a shorter time. Still, this certainly postpones the need to build nuclear power plants until the year 2010. It is only after 2010 that the consumption of electric energy would have to be met with new nuclear power plants.

EKONOMSKA POLITIKA: What would one have to do in order to start opening up mines and build power plants? The talks last for a very long time without yielding results. For example, there are the coal fields in Kosovo.

Simonovic: It is necessary to start building as soon as possible. You mentioned the coal fields in Kosovo as an example. I feel that it is economically feasible to locate thermal power plants away from even the coal fields, as much as 40 kilometers. Environmental protection poses no problems. Even water should not present a problem at such distances. Studies indicate that coal and electricity could be produced there very economically, even taking into account all the costs connected with relocation, communications set-up, and environmental protection.

EKONOMSKA POLITIKA: What is the problem then?

Simonovic: The problem is our "lethargy" in decision-making. This is a matter of Yugoslavia's energy future, and not energy alone. I think that there should be a body or a forum that would make the necessary decisions and force those in power to act more quickly.

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ACHIEVEMENTS, WEAKNESSES IN MILITARY TRAINING DISCUSSED

Sofia NARODNA ARMIYA in Bulgarian 21 Aug 86 pp 1,2

[Unsigned article: "Deeds, Not Words, are Measure of Irreproachable Military Efficiency"]

[Text] Now that the 13th Congress of the BCP has outlined a clearcut program for further translation of creative plans into concrete practical action, heightening of responsibility and exactingness and of the degree of orderliness and discipline in implementation at the national level has come to assume decisive importance. All this creates an atmosphere of firm order at all echelons and opens up an area for initiative and creative endeavor for millions of people.

Exactingness plays a particularly important role in the Bulgarian People's Army. One of the main principles governing its establishment is combined military and political command, and the actions of military personnel are dictated by their sworn duty to carry out with precision the provisions of regulations and the orders and instructions of their commanders.

We are all familiar with the elementary truth that a commander must train his subordinates in a spirit of unswerving exactingness, develop and sustain in them a sense of military honor and military duty, encourage those worthy of encouragement, and be strict in his treatment of the negligent. But how should implementation be organized to enable military personnel to execute combat and political training plans with high efficiency in the spirit of the projected program of the Congress? This was the topic of a discussion meeting the most important elements of which are presented here.

Officers P. Panayotov, A. Trendafilov, D. Petrov, P. Petrov, Y. Kolev, D. Dimitrov, D. Kalchorov, K. Penov, and E. Manev took active part in the discussion by answering questions asked by editors of NARODNA ARMIYA.

The meeting was conducted by Colonel Georgi Atanasov, editor-in-chief of NARODNA ARMIYA.

Criteria, Achievements of Outstanding Personnel, and the Pattern of a Good Commander

[Question] In your opinion, what are the basic criteria for quality command organizational work and how do you view them in connection with the actual results of performance of missions?

[P. Panayotov] We carry out our command organizational work on the basis of the requirements of the 13th BCP Congress and the resolutions of this congress. To us this means accomplishment of a quantum leap in raising the level of combat readiness, a substantial change in combat and political training, achievement exclusively of good to excellent results, and creation in the units of a situation which elevates compliance with regulations and instructions to the status of a religious rite. The most important criterion for the quality of command organizational work is represented by the actual results of performance of the missions deriving from the resolutions of the congress relating to accelerated application of scientific and technical achievements in army life. We apply these standards to assess the actions of the individual. It is precisely military personnel who by their professional skill and their technical education set in motion the mechanisms of revolutionary thought and revolutionary action in military units. Accomplishment of the missions assigned depends entirely on the actions of these personnel, on the way in which they view innovations in their practical application activities and implement these innovations in their work. This has been demonstrated in practice in recent months by officers Subev, Kolev, Atanasov, Dyakov, Slavov, and others.

[Question] Could you give an example?

[P. Panayotov] The personnel of the unit in which officer Subev serves gave their promise that by the end of the training year they would manage to implement full computer automation and control of firing. They kept their promise, and this allowed them to reduce by 30 to 35 percent the time required for carrying out the missions assigned for achievement of outstanding results in target destruction. We may say that a quantum leap has been made in this instance. Their experience is now being studied by similar units of the BNA [Bulgarian People's Army]. This is a new approach, defined by the deeds rather than the words of the command personnel and convincingly demonstrating the positive changes that have taken place in their administrative activities.

However, I must say quite frankly that it is difficult for innovations to make headway in some places. Some command personnel in engineer training react listlessly and with apathy to scientific and technical progress in the units under their command. It is as if they are trying to avoid this progress.

[Question] You have stated that innovations are not always received as is required by the resolutions of the 13th BCP Congress. Is this explained exclusively by a lack of desire on the part of individuals, or are there other reasons?

[P. Panayotov] As I have said, the chief reason for this is to be found in a lack of conviction on the part of some of the cadres that change must be made in daily activities.

[D. Petrov] I would like to add that some of our older cadres can hardly be brought to work with computers and other electronic computing equipment. But as commanders of specific units and as communists we must channel our creative energy toward the men and assist them in all ways possible, so that the younger personnel will be able to make practical application both of their enthusiasm and ambitions and of their high technical knowledge and potential.

[Question] Is there resistance to innovation? Is it a question of opposition on the basis of conservatism among some persons who have been accustomed to work in the same way for years and who are intimidated by any change?

[P. Panayotov] It is not a question of resistance, which would be severely punished, but we must frankly admit that some commanders allow inertia to keep them on the old familiar track. They wait for instructions and want everything presented to them already finished without their having to come to grips with the difficulties involved in introducing innovations. There is no way to account for this waiting attitude. I am convinced that if a communist does not see himself and his place in the decisions of the party, he is unable to implement these decisions as he should.

[Question] When and how are command and organizational qualities shaped, and which of them go to make up the pattern of a good officer?

[P. Panayotov] The most important of them are shaped in the process of military service, in the practical work of the officer, and are refined on the firing range, during exercises and drills. Then the need arises for the commander to orient himself rapidly in the situation, to make correct decisions, and to achieve high results by implementing these decisions.

We must not forget that the officer develops as an organizer when he personally comes to grips with difficulties, when he himself assumes the burden of risk and feels himself to be independent in his actions, free of supervision and constant instructions from a higher echelon. In this sense the paramount qualities which go to make up the good commander are thorough training, a broad viewpoint, a systematic approach in work, and his ability to make sound decisions and mobilize his personnel to carry out missions.

[Question] In this connection do you have any general requirements for the training of future officers in an institute of higher military education?

[P. Panayotov] Some of the young officers seem not to be sufficiently conditioned psychologically for the diversity and difficulties of army life. They are confused by the fact that there are things in the units which are not exactly as they were at the military school or as they expected them to be. We try constantly to improve the living and working conditions in the units, but this confusion does exist and allowance has to be made for it in the process of training military school students. I am convinced that the way in which the probationary training of young officers is planned and carried out is not entirely correct. And this is the time when they must

become accustomed to the thought that they are commanders, master the art of leading a platoon, make independent decisions, and carry out these decisions. We expect young officers and graduates of the academy to come to us with knowledge outstripping current knowledge in the units, and for them to be exponents of the innovations that are to be mastered, as regards both theory, practice, and more modern weapons and equipment.

[P. Petrov] And I definitely think that for the time being the Military Academy is not equipping the officer with everything he needs to be able to organize the execution of all missions immediately after completing his training. For example, the recently commissioned officer comes to the unit after graduating from the academy with distinction. He has much theoretical knowledge, but when he becomes a chief of staff or unit commander he encounters difficulties precisely in command organizational activities, because he has not studied planning problems enough at the academy. At least this was the case when I studied at the academy.

[D. Kalchorov] I should like to add my comment on this question. In theory many of the new lieutenants coming to the unit have been well trained, but in practice their skills are not adequate. I have a platoon leader, a Lieutenant Gergov, who has an excellent knowledge of how to lead a platoon and whose planning work is splendid. However, I had occasion to check one of his exercises, in which he failed to include the gun leaders as heads of subsidiary training centers. Hence I am of the opinion that it is highly necessary to increase both the time and the workload of the probationary training period of officer candidates, allowing them greater independence in the units in the capacity of platoon leaders rather than having them be simply "general assistants."

[E. Manev] The first difficulty that I encountered after completing the military academy was connected figuratively speaking with my standing in front of a formation. Every officer has experienced it. One day you are in formation, and the next in front of it. It took a month for me to become accustomed to the thought that I was a commander. The second difficulty is associated with the heightened sense of responsibility; the commander is no longer responsible exclusively for himself, but for the weapons, equipment, and actions of his platoon.

I also experienced difficulties in organizing and conducting exercises. I also found it difficult to work with the men on an individual basis until I prepared a graph showing the individual men and the work I was to do with each. My difficulties ceased when I experienced the satisfaction of having the platoon receive a rating of excellent in firing. We fired from four tanks and destroyed all targets. I succeeded in overcoming all the difficulties because my company commander, battalion commander, and other more experienced comrades in arms were firm with me.

The military school gave me the necessary theoretical and methodological training. But I went through the exercises there with my classmates, who knew just as much as I did in the role of platoon leader. At the academy, either weaknesses do not exist or they are of an entirely different nature. And since they do not appear in the course of an exercise, a person does

not learn how to overcome them. For this reason, I think that it is absolutely necessary for officer candidates to spend time more often and for longer periods in troop units and for them to work directly with the troops.

[Question] Are there instances in your practical work as commanders in which you assign missions to be carried out on an urgent basis, without providing the time and resources required for performing the missions? If so, what have the consequences been?

[P. Panayotov] Since we are conducting a frank discussion, I will speak frankly. I have felt the consequences of spontaneously and hastily assigning a mission in accordance with a particular situation. Last year, the question of training in tank firing was highly topical.

I told officer Trendafilov of my concern. At a conference I assigned the ammunition loaders the mission of beginning their training as gunners as soon as they became members of the crews. However, I failed to provide support for execution of this mission. At the end of the winter period I inspected the unit in which officer Tonev serves. I wanted to see how the ammunition loaders were firing. It turned out that their training had not even begun. The inertia prevailing in this case had made itself felt. Consequently, we should not understand adequate supply exclusively as availability of resources and material means; it also involves coordination, understanding, and conviction of the expediency of the mission assigned, along with monitoring of execution of this mission.

[Question] Please tell us how you view the relationship between command organizational work and high professional training of commanders.

[P. Petrov] I definitely think that the professional training of the officer largely determines the results of his command organizational work. The two aspects are directly related. The experience accumulated in command organizational work creates immense potential for continuous improvement in the professional training of officers. This mutual relationship is very often forgotten, at a very high cost. I can point as an example to an incident in our unit with officer Stoyanov. He did good work as company commander and was promoted to battalion commander. However, he neglected to continue to improve his professional training. He showed no interest in planning documents or in the organization of work which must be accomplished in order for assigned missions to be carried out. He resolves questions extemporaneously, and there are a number of deficiencies in his solutions. Many of the results which he achieves are mediocre.

Another example is administrative officer Tsankov, who received extensive theoretical and professional training and also has good command organizational traits. He believes, however, that issuing a directive assigning a mission is enough to ensure performance of the mission.

High and lasting success in a unit is impossible without setting a personal example. Consider officer Georgiev, who does good work but from time to time lapses into alcohol abuse. I have come to the conclusion that he will not be able to develop as a leader of men unless he changes.

Collective Intolerance of Mediocrity

[Question] Do you believe that a permanent atmosphere of collective intolerance of mediocre results in tactical training activities and of high conscientiousness and diligence by all personnel and in all matters was created after the 13th BCP Congress?

[D. Petrov] Immediately after the 13th Congress we were faced with the question of what we were to do and how we were to proceed. We began by altering our thinking, behavior, and attitude toward mediocre results. All command organizational and party political work connected with study and thorough interpretation of the missions resulting from the resolutions of the congress regarding alteration of the subjective factor was permeated by the understanding that we can achieve high and lasting results only on the basis of bold introduction of the achievements of scientific and technical progress under army conditions, and immediately, not in years to come.

Following the All-Army Party Activist Meeting, we decided that unit commanders, senior political workers, and chiefs of services would expound and justify to higher echelons their views of how they personally would aid in accelerated introduction of the achievements of scientific and technical progress among the personnel and elements commanded by them. Everyone, from the platoon leader to the most senior commander, was to elucidate this question and find his place in implementation of the resolutions of the congress. In this way we arrived at a concrete version of our plans which ensured that tangible practical activities would be carried out.

The vast majority of the commanders, technical and economic councils, and the councils of the Movement for Youth Technical and Scientific Creativity clearly understand what is to take place in the units up to the end of this year and to the end of the 9th 5-year plan. I should like to mention as positive examples in this connection the units in which officers Subev, Kolev, Petrov, Kalupov, Atanasov, and others serve. Open intolerance of mediocre results has already been displayed in these units and high results were achieved in them during the winter period.

Of course, we regard every achievement in this stage merely as a partial, initial success, because there are still commanders and political workers who have become accustomed to living a quiet life and to be content merely with a satisfactory rating. I will be frank. In evaluating the leading role of communists the party organizations have displayed their intolerance of conservatism of this kind, and nearly 6 percent of party members, including a fourth of unit commanders, have been rated as not performing a leading role as communists. We believe that this display of party concern will change their attitude, because complacency is not typical of the mental make-up of communists.

[Question] What action is being taken by the party political apparatus and by party and komsomol activists to transform ideological knowledge into convictions and motivations of behavior, into intellectual understanding of the need for exemplary service, and a sense of high responsibility toward our country?

[D. Petrov] It is indisputable that the higher the awareness of the socialist individual, the more significant is the contribution made by this individual to accomplishment of missions and his participation in socio-political life.

We are ready even now to test a system for mass ideological influence in a unit with a complex organization in the course of a particular event or situation.

In addition, in one unit a day will be devoted to counteracting negative phenomena. We have scheduled talks by representatives of the Public Prosecutor's Office and people's control commissions and by party and komsomol activists. We will conclude with reception by the senior commander for personal questions of all persons who wish to share their personal or duty-related problems. We believe that this will improve the climate among the personnel and will not fail to result in improvement in efficiency, attainment of psychological adjustment for performing outstanding service, and a high sense of responsibility.

Specific, Thorough, Long-term

[Question] In your opinion, when is the relationship the strongest between command organizational work and planning of troop activities, between discipline and monitoring of execution on one hand and the ability of the commander to apply the accomplishments of the scientific and technical revolution, on the other?

[A. Trendafilov] Planning is the foundation of command organizational work; consequently, life dictates that we impart an inner, psychological content to plans. Otherwise we cannot fight for their execution. The ability of a commander to plan in specific terms, thoroughly, and on a long-term basis, while taking into account the importance of the current moment and allowing for his abilities and the abilities of those who are to carry out plans indicates a new approach to meeting current and future requirements.

Unfortunately, we still have not eliminated some deficiencies in planning. Effort to plan sensibly and to exert effort to ensure execution of every point of a plan is not at the necessary level in some units.

At the beginning of the year I was in the unit commanded by officer Gaydarov. Firing exercises were impending. I asked the commander and his deputies what firing exercises were to be conducted up to the end of the month. I received a different answer from each person.

How could they not have remembered something in the preparation of which they participated, something which they approved and signed? Of what use is this plan when the person chiefly responsible for its implementation has failed to examine it thoroughly?

[Question] What do you have to say about maximalism in planning? Does this phenomenon occur in your work and in the activities of your subordinates?

[A. Trendafilov] It is true that some of the measures are slightly exaggerated, but I definitely think that abuses arise from efforts to simplify

plans. After all, whatever we plan is based on the appropriate instructions, the regulations, and the directives and orders of the minister of national defense. However, when we add measures of our own to the instructions concerning organization and methodology, the plans may be made more complicated, especially if they are drawn up incompetently and if they result merely from a desire for additional insurance.

But if the commanders know how to group missions on the basis of their importance, to derive the essentials from the main plan, and distribute their forces and means, then there is no question of maximalism. I will give a specific example. Command methodological exercises are conducted in the units every month. Some persons arrange them one after the other, without considering that an integrated approach might be applied to this matter.

[D. Dimitrov] When an inspection is made, it starts in most cases with the plan. I am not afraid to produce it. But what happens later? Every person inspecting wants to add something to the section dealing with the service he is inspecting, in connection with the questions that he is verifying, etc., and the plan begins to become bloated, more and more difficult to execute, and rigidly formal. I am happy when the commission draws its conclusions from execution of missions rather than from the plan itself.

[P. Panayotov] It is a question of the changes which we make in preliminary plans and programs. I should like to point out that in the unit in which officer P. Petrov serves we amended one of the training plans in which no provision had been made for negotiating water obstacles under water. This also made it necessary to change the training of tank crew members. We proceeded on the basis of the specific situation and the fact that in February the water obstacle which the men were to negotiate in the course of an offensive was as much as 5 meters deep. But since we had prepared ourselves in advance, we eliminated the element of surprise. The results of the exercise and the rating made by the minister of national defense satisfies us, but at the same time obliges us in the future to determine in November what might happen to us up to the end of winter, at the beginning of spring, and even in the heat of August.

[Question] How do you view the role of the staff in organization of plan implementation?

[A. Trendafilov] The emergence of new weapons and equipment, along with the constantly increasing complexity and variety of missions, confronts the commander with new difficulties. Things have changed so much over the last few years that a commander cannot obtain good results without an excellent staff. The role of the staff is expressed the most forcefully in organization of plan implementation. Of particular importance in this instance is the ability not only to see missions in their proper perspective but also to transmit them to subordinates promptly and in accessible form. Staff officers are the ones who should suggest the proper procedures, that is, the mechanism of implementation itself. And if there are errors and weaknesses here and there, they are precisely in the direction of preliminary disclosure of the "technology" of execution of missions when these missions are assigned. And this is one of the most important preconditions for achievement of excellent results.

[Question] Can you give us a specific example of a commander who is able to utilize the potential of his staff to the full, and what are the results?

[A. Trendafilov] One officer who is able to rally his staff members around him and channel their efforts in the essential direction is officer Tonev. His staff also does thorough, concrete work and shows total concern in dealing with difficulties that arise suddenly.

Unfortunately, we also have examples of poor interaction between commander and staff. Officer Donev works very diligently, intensively, and steadfastly, but he overburdens himself with tasks and does not make full use of the capabilities of his well-trained staff officers. He naturally fails to complete some tasks and to achieve the results that could be obtained with proper organization of implementation.

Honor and Merit

[Question] In your opinion, are great diligence and intelligent initiative compatible, and how do you support the efforts of individual commanders and personnel groups to achieve excellent results?

[Y. Kolev] Great diligence is an honor and merit for every soldier. Diligence and intelligent initiative combined represent strong combination which generates good results. I believe that diligence and intelligent initiative are a mandatory requirement and characteristics of every commander, without which achievement of excellent results is inconceivable. I support intelligent initiative when it is displayed by my subordinates. As examples in the unit I can cite Senior Lieutenant Penkov and Senior Lieutenant Madandzhiev, who carry out all their missions promptly and with high efficiency, always exhibiting intelligent initiative in the process. We had assigned the mission of thorough mastery of their specialty by station operators. Senior Lieutenant Madandzhiev achieved total interchangeability of his crew. He himself found latent potential and by his own efforts succeeded in reducing the strenuousness of duty on individual shifts, at the same time improving the quality of the work of the shifts.

[Question] How do you react when your subordinates fail to complete a particular mission on time and there are objective reasons for the failure?

[Y. Kolev] I believe that the results of completion of a particular mission are latent even at the time when the mission is assigned. Consequently, every officer must view things in perspective, putting himself in the place of his subordinates and of his commander. If I have failed to secure time and resources for carrying out a particular mission, I have no moral right to call to account those who have not completed it on time and efficiently.

I have never tried to conceal my errors or to place the blame for them on my subordinates. I have always respected those of my commanders who have had the courage to admit their mistakes and errors, and this has spurred me to work selflessly.

[Question] What is your view of the paradox in organization of plan implementation represented by achievement of diametrically opposite results by two different commanders working under relatively equal conditions?

[P. Panayotov] Unfortunately, I have encountered such situations in the past, for example, in the units in which officers Savov and Denev serve. There have been times when I have assigned the same missions to these two commanders. I have provided each of them with the same forces and means. I have paid even more attention to accomplishment of the mission in the case of Savov. But he has not accomplished what has been accomplished in the other unit.

[A. Trendafilov] Yesterday I made my annual inspection of one of my units. I notified officer Khristov by telephone prior to the inspection. I asked him how preparations were going. He reported all details on the basis of a predetermined schedule. Then I notified officer Donev. He informed me that cleaning of weapons had begun, and that the unit had returned from the firing range without achieving outstanding results in firing. That is, the exercises had not reached their goal; the work was only half-done.

[Question] Sometimes it is necessary for you to carry out emergency missions of the advisability, usefulness, and necessity of which at the particular time and under the particular circumstances you are not convinced. How do you proceed in such cases?

[D. Kalchorov] I am hostile toward unexpectedly assigned missions whose short deadlines force me to relegate to the background matters relating to the training of small units for the performance of combat missions. This disrupts the normal rhythm of work and sometimes even forces me to make compromises in conducting training exercises. I am convinced that the assignment of missions should always be coordinated in advance with our plan, allocation of time, and the abilities of the personnel. To cite a specific example, I take the entire battalion out to the firing range, assemble them for the combat exercise, and then am informed by telephone that I am to stop everything and return to the unit because a commander of a higher echelon is coming to inspect the interior order of the unit. I state that I need another 2 hours to complete the exercises, but an order is an order, and I cannot fail to carry it out.

[Question] How do you combine the method of persuasion with coercion in your command organizational work?

[P. Petrov] I will begin immediately with an example. I have already mentioned the problems we had with the administrative officer, Tsankov. We summoned him to headquarters and had a long talk with him. We tried to persuade him to change his style and method of his work. We were subsequently forced to combine persuasion with coercion. At the last inspection we gave examples of internal order in the unit and received a relatively excellent rating.

Daily reading of a report on progress in performance of missions helped us changing his style of work. How did we carry out instructions in this respect? It was not easy for us. Some of the company commanders were not convinced that an analysis should be made at the end of every exercise.

They were even inclined to accuse us of a bureaucratic approach. Why? Because this required additional effort and additional work of them. It was necessary to explain to them in detail that this analysis is helpful in preparing the personnel and the exercise directors themselves and eliminates many of the preconditions leading to violation of discipline.

Looking to the Future

[Question] In your opinion, does the possibility exist of discovering new approaches in performance of previous missions in tactical and political training?

[P. Panayotov] The central committee of our party has repeatedly set us an example and has suggested to us the need for discovering and applying new approaches in performing missions on a national scale. Measures have also been taken repeatedly for modification of the style of work and leadership of cadres in accordance with objective changes in our development. The ways and means of discovering new approaches in performing missions were multiplied after the 13th Congress of the BCP.

I will give an example in support of my statement. Several months ago we switched, on the basis of computer equipment, to use of trainers for instruction of tank crew members in the unit in which officer Kalupov serves. A trainee can be instructed with greater intensity, and better results can be obtained, in the recently outfitted building. This form of training imposes a new approach, because it requires the commander who will conduct the training of an individual to be able himself to operate the new electronic equipment. It requires change in the planning documents. Gradual conversion to computer processing of all the records of the training process, by month, week, and day is now under way. This results in saving of time, ammunition, and fuel plus lubricants, while depreciation of the equipment is reduced. This leading edge experience should be applied in other units as well.

Take another example. In the unit in which officer Petrov serves, a computer is now used in training the entire platoon. The rapid pace of scientific and technical achievements in military applications is requiring us to review the software used in our units. In essence, this problem is forcing us to adopt a new approach in performance of missions.

[K. Penov] In the unit in which I serve, all the conditions have been created to enable the young commander to express himself fully. I myself am encountering no obstacles in performing the missions assigned to me, and I believe that the quality of such performance depends primarily on me alone and my ability to lead my subordinates. The question of creativity in performance of missions is a particularly topical one in our unit, because we train tank commanders and the period allotted for such training is short. Hence we are combining missions, skillfully adding innovations, and trying to outstrip to a certain extent what has been achieved in the tactical units. There are more exercises, and the exercises have been made more complex. We are establishing training centers for armored infantry training which will promote achievement of interchangeability in combat, with the tank commander being an excellent gunner and thoroughly familiar both with the tank and with the duties of every member of the crew. We are helped greatly by use

of a computer trainer for fire training. Its application in our unit may be regarded with every justification as a manifestation of the commander's enthusiasm, as an application of creativity for carrying the resolutions of the congress into effect.

The discussion at the meeting lasted several hours, but the problem under consideration cannot be exhausted in a single discussion, no matter how animated it might be. All the participants were fully aware that one of the decisive factors in inculcating high diligence is skillful organization of the training process and administration within the unit, struggle with oversimplification and stereotyped approaches, and strict compliance with the weekly schedules.

The reliable system created for verifying performance and active use of its various forms in the unit in which officer P. Panayotov serves, from monitoring execution of individual orders and instructions to integrated inspections of staffs, is an indispensable condition for translating the plans drawn up by the congress into worthy military deeds. An important place in this extremely important process is occupied by persistent, purposeful party political work by the party and komsomol organizations, which establish a climate of mutual exactingness in the units and ensure that communists will perform a leading role and that komsomol members will set personal examples of discipline.

In the weeks remaining to the end of the training year, the personnel of the unit will continue to improve their tactical and political training, strive to reach new heights of combat skill in field exercises and drills, and strengthen discipline and efficiency of organization.

6115

CSO: 2200/3

'PROVOCATIONS' AT PEACE CONGRESS REPORTED

AU221522 Sofia OTECHESTVEN FRONT in Bulgarian 20 Oct 86 p 6

[Article by Vasil Gadzhanov, special OTECHESTVEN FRONT correspondent in Copenhagen: "'Why Did You Take the Floor Mr Roberts?' 'Because I Am Allergic to Dirty Hands'"]

[Text] Danish television's first channel carried the main newscast. I admit that I was looking forward with great interest to the report on the session of the World Peace Congress devoted to the International Year of Peace. This report came toward the end of the news program. It lasted no more than 2 minutes. Against the background of individual faces in the crowded hall (which was not shown as such) brief information about the opening of the congress was read out. Emphasis was laid upon the provocations during the reporter's interview with Jens Clausagar, secretary general of the Venstre Radical Party [of Denmark], who chaired the first plenary session. He briefly summarized the main points in the work of the congress. His statement was interrupted three times to show an elderly woman carrying a poster and hysterically screaming some nonsense about Afghanistan.

It was perhaps the intentional absence of elementary objectivity and the deliberate use of the inveterate crooked mirror through which the Danish people were supposed to look at the great world forum in a most distorted manner that prompted me to write down these lines about those who devoted themselves to the goal of undermining the work of the congress, introducing a split into the ranks of the international antiwar movement, and confusing people who might be susceptible to such actions.

We can definitely say that the enemies of peace and mutual confidence took care to organize their provocations perfectly--not only outside the "Bella" center (in the form of leaflets and posters bearing antisocialist slogans, banners on Afghanistan and the Polish "Solidarity" organization, or by blocking certain streets, and so forth), but also within the congress hall. All delegates had already taken their seats and the members of the acting presidium were looking at their watches when suddenly a couple of husky fellows climbed the high podium and put up a large banner with a slogan calling on the audience to boycott the congress. A brief moment of confusion followed, during which a tall man seized the microphone and voiced sharp accusations against the participants in the congress.

It was difficult to predict how long this speech would have continued, if a strong voice from the back of the hall had not suddenly shouted: "Go home, CIA!" This slogan electrified the audience. The powerful "Go home, CIA!" swept the troublemakers away from the rostrum and their banner disappeared with them.

The second incident followed only a few minutes later. A literary-musical program had started. A well-known female singer was performing a song--a very popular one in the Scandinavian countries--which says: "I am grateful to life because I was born with a heart that beats..." when another troublemaker ascended the rostrum. He said that he came from Great Britain and that he wished to announce that Hermod Lannung, chairman of the preparatory committee of the congress, the 91-year-old parliamentarian and Danish delegate respected public figure, allegedly had some black marks in his past...and proposed another candidate for this post. It is unnecessary to describe the strong and spontaneous reaction of the audience, which violently hissed at the troublemaker. Following this, a tall man with silver-grey hair took the floor. He expressed his deep regret about the incident and stated: "The man who just spoke does not represent British fighters for peace, he represents only himself. We have come here to conduct a serious and honest dialogue and not to brutally impose our opinions"... Mr Roberts--this was his surname--expressed his regret that in their publications part of the British mass media recently tried to create a negative attitude toward the congress and toward the delegates of the British peace movement who are participating in this congress. His speech was brief and eloquent. When he stepped down from the rostrum the audience gave him a long, standing ovation for his spontaneous speech, it applauded a truthful and resolute speaker.

I ran after him and caught up with him in one of the side aisles of the hall. After introducing myself, I asked him: "Mr Roberts, the session is continuing. However, your speech and your noble words filled the audience with enthusiasm. I am impatient to ask you a question. Why did you do this?"

"I will answer you. Since my early youth I have been in the ranks of those fighting for peace. I am really allergic to the dirty hands that strike out against peace, that disgrace peace. I had to react, I had to do something. I did not want people to have a bad opinion of the British fighters for peace. Perhaps you are aware of the fact that at the Labour Party conference in Blackpool, which took place at the beginning of October 1986, we adopted a resolution appealing to our country to renounce participation in the American 'star wars' program, to reject the deployment of 'Trident' nuclear missiles, we appealed for the removal of U.S. nuclear bases in Great Britain. We appealed for the dismantling and elimination [unishtozhavane] of the U.S. medium-range cruise missiles deployed on British territory. Actually, I did this in defense of a just cause."

Mr Roberts gave me his calling card, which reads: "Ernie Roberts, British member of parliament, Labour Party," and further says: "Welcome to our struggle for a better life in Hackney!"

I will omit the next provocation, which lasted only a few minutes, but I will not omit the postponement of the showing of a Soviet film. The film entitled "Letters from a Dead Man" was officially scheduled to take place at 1500 local time on the same day. The hall was crowded, but someone prevented the operator from performing his duties. People waited for a whole hour to see this exceptional film, which was transported to Copenhagen with so many difficulties. In vain. The showing was postponed. Prior to this announcement, however, the leading actor Rolan Bykov, made a brief statement in which he described what he had to go through in playing his role. "Each one of us will be guilty if something should happen. Only the children will be innocent, but there will be no children left anymore," he stated.

The congress is already nearing its end. The citizens of Copenhagen, which is the capital of a NATO member-state, confirmed on two occasions in recent times that they have the right to be hosts to the greatest forum of worldwide public opinion. On 24 March 1986 thousands of demonstrators marched through the streets of their city in the pouring rain, covering 16 kilometers, calling for a halt to all nuclear tests. And also recently, in October 1985, as many as 100,000 fighters for peace gathered in the square facing the mayor of Copenhagen's office. According to the Danish people themselves, their capital cannot recall any such upsurge of the anti-war movement as the recent one.

Provocations, however, organized with great competence and efficiency (those participating came from different countries) show that the forces behind them are seriously alarmed at the upsurge and at the new expansion of the anti-war movement which became particularly intensified following the Reykjavik meeting. The congress demonstrated that the forces of peace are rallied in a united front, that their actions are becoming increasingly intense and forthright, and that they have to be taken into consideration.

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CSO: 2200/12

DAILY CARRIES REPORT ON JOINT U.S. SEMINAR

AU211324 [Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 17 October on page 4 carries under the headline "International Cooperation--a Means of Mutual Acquaintance, a Lever for Accelerating Research" a 6,000-word unattributed full-page report on the first Bulgarian-U.S. seminar "on the application of the results of scientific research and practice," which was held in Sofia from 8 to 16 October. The seminar was organized, as RABOTNICHESKO DELO notes, by Bulgarian and U.S. scientists on the basis of the agreement on scientific cooperation signed between the Bulgarian Academy of Sciences and the U.S. Academy of Sciences. On the Bulgarian side, the State Committee on Research and Technologies, the Committee of Science, and the Bulgarian Industrial Economic Association were involved in organizing the seminar, the paper adds.

In a boxed-in description of the American Academy of Sciences, the paper notes that it "functions as a consultative organ on questions of science and technology for the U.S. Government" and that it "maintains contacts with academies of sciences from the socialist countries."

The report begins by carrying the approximately 800-word opening statement made at the seminar by Stoyan Markov, first deputy chairman of the Council of Ministers and chairman of the State Committee for Research and Technologies, and follows this by reports of speeches by subsequent speakers at the seminar.

In his speech on the subject "The State and Utilization of the Results of Scientific Work," Stoyan Markov is quoted as saying: "Bulgaria is a small country and has a limited manpower potential. However, there is an objective variety of products for satisfying the needs of production and of all society--glassware, television sets, children's clothing, and confectionery, sausages, and personal computers. This variety of goods involves a great variety of technologies.

"It is obvious that we are not capable of ensuring our economy's technological development with our own forces and resources. Therefore it is very important for us to transfer world experience and knowledge to our country. In addition, it is becoming increasingly obvious that many problems that are emerging in the fields of science and technology cannot be resolved within the national limits of any one state."

Markov discusses Bulgaria's cooperation with the Soviet Union and with the socialist states, as well as with the United States in the technological sector. He states in this context: "Naturally, our greatest economic and scientific-technical partners are the Soviet Union and the other socialist countries. The Soviet Union is a powerful world force in all sectors of human activities. This conclusion not only results from the achievements of Soviet science and production, but also from the prerequisites created in that country for the transfer of technologies, of technical, and production experience.

"As for Bulgarian and American scientific contacts, they have inspired a certain optimism in recent years. Joint work between Bulgarian and American scientific organizations and individual scientists has expanded. However, there are still certain limitations imposed on the fields of scientific, technical, and technological cooperation by the U.S. state institutions. Nevertheless, the possibilities for joint work have been confirmed."

After describing the case of a Bulgarian and an American scientist who were successful in developing a joint scientific project he notes: "Three out of eight joint Bulgarian-U.S. scientific projects were concluded in 1985 and work continues on the others. Four new projects are being discussed." "The examples cited show that mutually advantageous cooperation can produce positive results. There are still many unused opportunities in this respect."

Prof William Gordon, secretary for international questions of the U.S. Academy of Sciences, is reported as the next speaker. In his report "National Prospects in Implementing Scientific Results in Practice" he is reported as discussing the role of universities in the United States in the application of scientific achievements, as well as certain shortcomings in introducing new technologies in U.S. plants, which cannot be fully utilized because of "incorrect management methods and lack of efficiency in labor relations."

The paper then reports other speeches. These include ones by Academician Blagovest Sendov and Senior Scientific Fellow Yachko Ivanov, who discuss the activities of the Academy of Sciences in implementing scientific results, Academician Mako Dakov, who discusses problems in forestry and the timber industry, and other Bulgarian speakers, who deal with such subjects as industrial problems, social administration, and agricultural questions, computerization and genetic engineering.

On the U.S. side Lewis Rodis, director of the "Edison Company" of Detroit is reported as discussing energy problems in the United States, and Sandra Toy, "coordinator at the U.S. National Scientific Foundation," the management of scientific resources on a national scale. Prof John Michael Montis, an economist from Yale University, is reported as speaking about the difference between "Marxist and bourgeois economists," noting

that "in the last generation a certain drawing closer together through mathematical economy" has emerged, citing the award of joint Nobel prizes to USSR and U.S. economists in 1974 as an example of "joint interest on both sides in the theoretical problems of the distribution of means."

Prof George Shillinger from the Brooklyn Polytechnical University is quoted speaking on "new prospects in the management of practical implementation of scientific results." A number of other American speakers are very briefly mentioned.

Apart from noting the decision to hold the next seminar in the United States, the RABOTNICHESKO DELO report does not refer to any agreements or plans for further Bulgarian-U.S. cooperation in the scientific sector resulting from the seminar.

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CSO: 2200/12

TODORIEV INTERVIEWED ON ENERGY OUTLOOK

AU111806 Sofia ZEMEDEL'SKO ZNAME in Bulgarian 9 Oct 86 pp 1, 3

[Interview given by Professor Nikola Todoriev, corresponding member of the Bulgarian Academy of Sciences and chairman of the "Energetika" economic trust to ZEMEDEL'SKO ZNAME, date and place of interview not given]

[Text] [ZEMEDEL'SKO ZNAME] Professor Todoriev, the time has come again for us to talk on the problems of energy. Naturally the autumn season and the forthcoming winter are reminding us of this problem. We are also reminded of it because we remember the difficulties in power supply of recent years. Naturally, we are all aware of the considerable changes which are taking place, but let us begin with the preparations in the power plants. What are the power supply workers doing to ensure safe, accident-free work in energy sector?

[Todoriev] We can truly say that from November 1985 to the present moment we have had a regular and well-balanced electric power supply to industry as well as the population. However, even the best achievements in the field of power supply can be easily destroyed if we are not sufficiently persevering and consistent in carrying out our daily work, and if the citizens are not consistent enough in their behavior as regards consumption. How will we meet the autumn-winter season? In the first place, basing ourselves on the bitter experience of 1984 and of the major part of 1985, we began as early as at the beginning of 1986 to prepare for the 1986-87 winter season. The program on basic, average, and current repairs which has been implemented and which is continuing to be implemented (until the end of October) in the electric power and heating plants of the country has a much wider scope than the previous ones. It is proceeding at a regular pace and with small interruptions. I say: small interruptions and exceptions, because due to various reasons, we cannot always set up the appropriate organization. There is a shortage of qualified personnel, there are difficulties in supplies with certain materials. The shortage of necessary spare parts, ready-made elements, and components for the basic repair work is a permanent problem. In enumerating our main subjective shortcomings and certain objective ones, I can state in spite of everything, we are meeting the autumn and winter season with repaired plants. If I were to make a quantitative evaluation, I would say that basic repairs were accomplished in 50 percent of these plants. However, this should by

no means satisfy us, because there is still some equipment operating in our system which has existed for a long time and is not ensured against emergency situations, equipment which needs more care. There should never be absolute complacency in the field of power supply. If such complacency appears, it is usually followed by unpleasant consequences.

We also implemented all programs mapped out for the repair of the heating system in Sofia and other cities which are supplied with central heating. There are sufficient supplies of fuel for these heating systems, and certain reserves also exist. As compared with 1985, more supplies of solid fuel will be ensured, but this type of fuel is still much in demand. We will supply more of this fuel, and some amounts of this fuel will be transferred to those areas where there is the greatest need for it. Decisions regarding energy resources [for] consumers were adopted as early as this spring at numerous high-ranking meetings and conferences of the Economic Council and at the Council of Ministers. The winter preparation is obligatory for our entire industry sector. This also concerns all Bulgarian citizens and all Bulgarian households. It is our wish that the last nice days of October should be taken advantage of for the repair of homes, e.g. insulating doors and windows, as well as for timely fuel deliveries, and for reviewing and completing all winter preparation measures in the industrial and community sector.

[ZEMEDEL'SKO ZNAME] It is a fact that the problem of the efficient use of electric power remains a problem of vital importance. This is so because if we are able to satisfy needs with lesser amounts of energy, which is absolutely feasible, then we will also be able to reduce capital investments for the development of the power supply.

[Todoriev] This is absolutely correct. This question should not become a campaign-like or a temporary task. Experience, however, shows us that we still have considerable reserves of energy, and that we have not achieved what we are able to achieve by starting with purely organizational measures, by making small changes, and reorganizations, and by ending with a considerable introduction of the achievements of technical progress and new technologies, and by perfecting the existing ones, which will produce a reduction in energy consumption. Only in this manner will it be possible to preserve those results which we achieved during the last winter season. Within the last 9-month period the population consumed much less electric power as compared with the same period in 1985. We are taking into account the fact that 1985 was a year of frequent restrictions of power. I think that the Bulgarian citizens have made great progress. They found a way to satisfy their needs without wasting energy. I must stress that this was not accomplished by cutting down the supplies but just by avoiding waste. Consumption has been reduced by more than 10 percent, and this was done without any exceptions and without any restrictions throughout the whole country. In the industry sector the growth of electric power consumption was significant compared to last year. However, the output produced with the same amount of energy is considerably larger. This is also how reserves were found in the industry sector--as a result of strict organization, a drastic change in the consciousness of managers and workers, a thrifty approach, the introduction of scientific achievements, as well

as owing to other reasons. However, we are still expected to accomplish much. We should by no means forget that the capital investments in industry for the saving of one unit of energy are one-fourth of those the state must provide if it has to produce this energy.

[ZEMEDEL'SKO ZNAME] Could we not add, that along with everything that has been accomplished by the social organizations and by the okrug energy staffs, as well as by the mass media, for the thrifty consumption of electric energy, the controlled conditions of consumption also contributed greatly to the achievement of positive results?

[Todoriev] This system of controlled conditions certainly proved perfectly correct and continues to be so. The controlled conditions of consumption--and I would like once more to make this clear--are not aimed at creating difficulties in the carrying out of the people's everyday life activities and in the fulfillment of production tasks in the enterprises. The purpose of these measures is to ensure a more regular loading of the capacities, taking into consideration a more sensible approach--in the awareness that energy is not inexhaustible--and to help us make our work more efficient. This is so because, last but not least, we should not forget that for the state, energy is not cheap. We should not evaluate the importance of energy only on the basis of the price for which we acquire it, because much evidence shows that every time we create conditions for the restriction of energy consumption and on account of this suppress production, then each kilowatt hour of electric power which is not supplied to our industry leads to losses in respect of the goods which would be produced with this power. These losses are 20 times higher than the cost of the kilowatt hour. If we are well aware of this fact, then we will understand the tremendous economic value of the controlled energy consumption conditions, the importance of the search for additional reserves for the thrifty use of electric power. This will again be to our own benefit--to the benefit of our standard of living of our peace of mind, comfort, and convenience.

[ZEMEDEL'SKO ZNAME] As a matter of fact, man tends quickly to forget the difficulties of the past and sometimes has to pay for it...

[Todoriev] This is true. We are aware of a certain complacency, indeed, because there have not been any disturbances in the electric power supply for some time. We began to get used to the thought that everything is all right. The energy system is subject to centralized management, and every minute we control how the system is loaded. A tendency to disrupt the loading is beginning to appear. An alarming trend has recently emerged. We are returning to a loading diagram similar to that which existed in 1984. This means that certain deviations from the established order of things have recently been committed.

[ZEMEDEL'SKO ZNAME] But will our energy system be "backed up" by new capacities?

[Todoriev] No. We will therefore be counting on the better preparation of the existing capacities and on a large proportion of them having been repaired. Making an objective comparison with the last autumn and winter, we will have a greater power capacity at our disposal. However, it will not be consistent with an uncontrolled consumption and the increase which may result therefrom. It is precisely by the controlled conditions of consumption, both for the population and for industry, that we are endeavoring to reserve about 10 percent of our capacity for critical periods. However, the regulations envisage a reserve of 20-22 percent. And although in certain respects we have the possibility of also utilizing our hydropower resources more flexibly and efficiently, chiefly to solve the problem in the power balance, all the same we cannot consider that we are back in the position of a moderately wet year. Therefore, the primary task will remain to maintain a conscientious attitude toward electricity consumption, in which case there will be no particular grounds for anxiety concerning meeting our future requirements.

[ZEMEDEL'SKO ZNAME] Professor Todoriev, will you please outline the prospects in the short and long term for the development of our hydro-electric power.

[Todoriev] The party's policy for the development of Bulgaria's power industry is clear and fixed. Immediately following the April plenum it was directed in certain general directions. Maximum possible use must be made by us of local resources. And, since these are limited, we have been one of the first countries to develop nuclear power plants. And of course, last but not least, efficient and thrifty consumption is vital. Capacities are under construction in the Maritsa-East complex, and central heating supply stations are under construction in Stara Zagora, Khaskovo, Sliven, and Pazardzhik. However, these are unable to cover the country's requirements or to meet the natural growth of consumption in future periods. The hydropower stations cannot resolve this problem either. Accordingly, for us, and not only for us--as I have said more than once--the alternative for mankind is nuclear power. So that we are developing the nuclear power industry to an ever greater extent for the future. Next year the fifth reactor will come into service, and the sixth one will soon follow. A new nuclear power station is rising in Belene. We envisage the building of nuclear plants both for combined production of electric and thermal power and solely for thermal power.

[ZEMEDEL'SKO ZNAME] There is a lot of comment in the world today about the safety of the nuclear power industry.

[Todoriev] Every new development that appears in the field is immediately implemented by us and harnessed in practice. Years ago there was some degree of alarm about the behavior of the four units which have been operating up to now at Kozloduy, because they were designed for a lower level of seismicity. But I must tell you that we have introduced there additional systems, reinforcements, and automated control facilities which are independent of human behavior. And the last earthquake, which was

far from a minor one, demonstrated that all this work was absolutely justified. As expected, all four units at the power station were subsequently automatically shut down, and power production fell to zero. Apparatus came into operation throughout the power system to effect automatic frequency unloading [chestotno raztovaryane], to prevent the system from breaking down. And after the earthquake was over, the energy system was restored in the proper manner, after which the units were also started up again. I give you this example as a confirmation that we are working continuously to further improve the existing plants and the safety of the nuclear power stations.

We have all been witnesses in recent months of the active work which is being carried out in accordance with the USSR's proposals to achieve greater cooperation through the World Organization for the Peaceful Use of Atomic Energy [as published] with regard to mutual aid, information on the behavior of nuclear power stations, and their corresponding improvement. Our country actively supports and participates in all these talks and decisions. The big question, of course, remains not only the security of the nuclear power industry, but first and foremost the elimination of the danger of nuclear war. This is a terrible and dangerous thing for mankind.

When one speaks about the nuclear power industry, a matter of primary importance is the training of the relevant cadres, the constant raising of their professional skills, or, I would say, their education. For these people who work there must live with a sense of the exceptional responsibility which they bear, because the discipline and the regulations for the technical operation of nuclear power stations require precision and a high sense of awareness.

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CSO: 2200/12

DZHUROV ATTENDS METHODOLOGICAL MEETING

AU140921 Sofia NARODNA ARMIYA in Bulgarian 10 Oct 86 pp 1, 3

[Report by Lieutenant Colonel Engineer Veselin Stoyanov and Major Tsoncho Draganski: "For High Organization, Order, and Discipline"]

[Excerpts] Veliko Turnovo, "Vasil Levski" Higher People's Military School, 9 October, (telephone report from our correspondents)--Today the study-methodological meeting of the higher military schools continued. Its work was attended by Army General Dobri Dzhurov, member of the BCP Central Committee Politburo and minister of national defense; Colonel General Mircho Asenov, deputy minister of national defense; Lt Gen Trifon Balkanski, first deputy head of the BCP Central Committee's Social and National Security Department; generals and officers.

Col Gen Aleksandr Zvartsev, representative of the commander in chief of the Joint Armed Forces of the Warsaw Pact member-states, also attended the meeting.

The positive experience related to implementing the task of turning the military schools into an example of order and discipline, was imparted by the commander of the "Vasil Levski" Higher People's Military School, Colonel Peyu Yanchev; Lt Col Ivan Kolchev, commander of the school's political department; Major General Nayden Borimechkov, commander of the "Georgi Dimitrov" Higher People's Military Aviation School; and Col Bogdan Raychev, commander of the "Georgi Izmirliiev" SSVU [meaning of "SS" unknown; "VU" stands for Military School].

In his speech during the awarding ceremony Army General Dobri Dzhurov stressed that the military schools have achieved significant successes in introducing scientific-technical achievements in the study-material base, which was done as a response to the requirements of the party and the demands of our time, and expressed most cordial gratitude to the command of the schools and related Army branches for the successes which have been achieved in this area. Simultaneously, the minister of national defense stressed that the results which have been achieved are not the limit of the possibilities of the higher military schools and recommended the carrying out of an obligatory analysis [as published] of the successes

and shortcomings hitherto, with a view to avoiding duplication and parallel efforts in developing various themes, to improving coordination among the various creative collectives of the higher military schools, mastering the front-ranking experience of the Soviet Army and the other fraternal armies, and conducting a decisive struggle for fully implementing the tasks posed for the current academic year.

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CSO: 2200/12

NATIONAL CONFERENCE ON CENSUS-TAKING OPENS

AU101218 Sofia RABOTNICHESKO DELO in Bulgarian 9 Oct 86 p 2

[Report by Khristo Kamenov: "The Important Place of Social Knowledge--the Largest Census in Scale in the More Than 100 Years of Statistical Practice in Bulgaria"]

[Text] From today until 11 October a scientific-practical conference, entitled "Taking Census of the Population and Housing Stock--Theory and Practice," will be held in the Slyunchev Bryag resort. At the conference a summary will be presented of the results of the census, the fruit of almost 1 year's research and development work by numerous scientists and specialists, and the necessary conclusions will be drawn therefrom. A rich body of material is to be presented, which is required for the adoption of administrative decisions.

More than 200 specialists from the whole country will take part in the conference. Many papers will be delivered, including the following subjects: "The Principal Conclusions Stemming from the Population and the Housing Stock Census Taken up to 4 December 1985 and the Impending Tasks Following the Completion of the Work of Census," by Professor Dr Dano Balevski, first deputy chairman of the Central Statistical Administration of the Council of Ministers and secretary of the Governmental Commission for the Population and Housing Stock Census; and "The Population Census--Present and Future," by Professor Dr Minko Minkov, director in chief of the Special Program Collective for Census-Taking.

The conference will examine basic sociodemographic research studies, such as:

- demographic educational, professional-qualification, and socioeconomic characteristics of the population;
- characteristics of unemployed persons;
- living and domestic conditions;
- characteristics of villas and holiday homes;
- birthrate and reproductive behavior;
- migration and migratory behavior;
- labor opportunities and their fulfillment in practice;

changes, problems, and plans for living of the individual;
society as a town-village system in 1986; and
the population's fitness and state of health.

It is proposed to commence work on preparing for and holding microcensus
in 1990 and 1995, and for holding a general population census at the end
of the century.

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CSO: 2200/12

PRESS ATTACKS TURKISH PERSECUTION OF KURDS

AU072137 [Editorial Report] Sofia OTECHESTVEN FRONT in Bulgarian carries in its issues of 12 and 15 September and 1 October 1986 three articles by the Kurdish journalist Deldar Zana on the persecution of Turkey's Kurdish population and the death sentences passed by the Turkish authorities upon Kurdish national freedom fighters.

Sofia OTECHESTVEN FRONT in Bulgarian on 12 September 1986 carries on page 6 an approximately 600-word article by Deladar Zana entitled: "Faith Cannot Be Put to Death. The Confession of a Hangman to the Journal NOKTA." The article describes the report of an interview with the former state hangman Hussein Yalchun published in the Turkish journal, without, however, giving the title or publication date of the interview.

Zana comments on the apparently dirty, ragged appearance of the executioner Yalchun, noting that "those condemned were mostly young people--students, workers, and fighters for a more just life." In the following translated extract from the claimed verbatim report of the interview, it emerges that Yalchun admitted to receiving from \$25,000 to \$30,000 for performing each hanging, and stated that the hangings had been carried out on the orders of one Captain Avin. According to Zana's account, Yalchun said some of the victims "if they were Communists, cried out: 'Death to fascism,' or something similar."

Zana notes that despite protests from the European Parliament against the death sentences passed on political prisoners, the authorities in Ankara continue to issue death sentences on a mass scale." Zana concludes by recalling the words of "a comrade from Kurdistan": "Our enemies will threaten us in all the ways at their disposal--with death, torture, violence, terror, and the gallows for the fighters. But it is clear that a revolutionary is a man who, despite everything, sets out to fight and convert the people's ideals into reality." Zana then adds his own comment: "It is impossible to kill the belief in victory. A man may perish, but the torch that lights the way to freedom will continue to burn."

OTECHESTVEN FRONT carries on page 6 of its 15 September issue a further 600-word article by Deldar Zana entitled: "The Broken Pencil--The Death Sentence," with the subhead: "The Heavy Penalties Will Not Be Able to Divert the Kurdish Fighters From Their Ideals of Freedom, Independence, and Social Progress." Zana explains that the "broken pencil" refers to

the custom of the military prosecutor of breaking a pencil in half to indicate the passing of the death sentence upon the accused. Zana then reports that "on 5 and 6 August alone this year 28 death sentences were pronounced in Adana and Izmir. Of these, 25 were on fighters in the national liberation movement of the Kurdish people, and the remaining three members of an illegal left-wing organization."

Zana later notes that, since the military coup on 12 September 1980, 49 death sentences have been carried out, while hundreds of prisoners languishing in condemned cells are hoping that the Turkish parliament will grant clemency. According to Zana, "it is known that among those condemned to death are leaders of the Confederation of Revolutionary Workers' Trade Unions--DISK, and participants in the Kurdish national liberation movement."

Zana concludes by noting: "The Turkish courts continue to pass death sentences. Most of those condemned are political prisoners. The belief in an ideal is the true virtue of man, and the condemnation of this ideal is a contradiction of all human standards. The striving for the good of mankind has collided with the barriers of reactionary regimes and governments. But faith has always survived--'The wheel of history moves forward.' And those who want to halt this process are only recording their own names in history's black books."

OTECHESTVEN FRONT on 1 October 1986 carries on page 2 a third, approximately 1000-word article by Deldar Zana entitled "The Black Commas of History." Zana commences by commenting on the September decree of the Turkish Parliament approving the military operation undertaken against the Kurds in Iraq. "The decree," writes Zana, "caused serious alarm and indignation among the democratic public in the world." However, Zana notes later, "it seems that Turkish governmental circles are not at all interested in world public opinion, which sharply condemns violence chauvinistic methods of settling accounts with the national liberation movements." Zana also reports that commentators "practically unanimously stress that the decree 'unbind' the government's hands, freeing it to undertake military actions in other states."

Zana continues: "Behind the assertions of the rulers in Ankara that the events in the eastern and southeastern regions (where the Kurdish people is conducting a stubborn struggle for national independence) are incited by foreign elements is hidden the dangerous intention to conduct future large-scale punitive operations." Zana then rejects the suggestion that the Kurds' revolt is being fomented from outside, and maintains that "the national liberation movement of this population of many millions has a long history. It is not necessary for its problems to be provoked by other states in order to incite a revolt against the enslavers."

Zana further quotes a statement by "Kurdish revolutionaries' representatives at recent press conferences in Athens and Brussels": "The genocide in Turkey is continuing. This is a brutal example of contemporary barbarism. Over 100,000 of our brothers have already been driven out of

their home areas. Torture is an everyday event throughout the country. Two-thirds of the army is concentrated in the eastern districts, its only task being to crush the people's resistance without scruple as to method or means." Zana reports, without naming his source, on an incident in the village of Balla, in Hakyari district, where "the 'security forces' arrested all youths over 7 years old and one girl for the sole reason that in the vicinity of the village there had been a clash between the Kurdish fighters and the army." According to Zana, the villagers reported that the army had also burnt their harvest. However, Zana concludes: "Every tyranny, however black it may be, is only a comma in the development of mankind's history. It is never a full stop, as the great Bulgarian poet Geo Milev said. History has fully confirmed these glorious words. Ankara's rulers of today must be made to understand that due to their violent methods they will remain in history only as a black comma."

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CSO: 2200/12

ARMY DAILY ON TURKEY'S DRUG TRAFFIC WITH EUROPE

[AU232154 [Editorial Report] Sofia NARODNA ARMIYA in Bulgarian on 22 October carries on page 4 a 1,400-word undated article by Lyubomir Gabrovski written in "Ankara and Sofia" and entitled "Turkey: Along the Path of the 'White Death,'" which deals with narcotics in Turkey.

Gabrovski begins by noting a statement in the annual report of the International Council for Narcotics Control that "80 percent of the narcotics intended for the West European market come from Turkey and Near and Middle Eastern countries." Gabrovski then quotes Hugh Carnegie of Reuters as saying that Turkey, though no longer itself a source of drugs, "remains a main staging post on the narcotics route from Iran and Pakistan to the drug addicts in Western Europe and the United States." However, Gabrovski then quotes a statement by John Lowne [spelling of name as transliterated] of the Federal Bureau for Drugs Control that "according to their information the numbers of illegal producers of narcotics in Turkey has increased."

Gabrovski then refers to reports from "informed sources from the Western diplomatic missions in the Turkish capital" that "the Turkish police seizes about 200 kg of heroin annually," but that more than this amount is secretly exported. Gabrovski then describes the "Turkish connection," noting an undated report in the Turkish daily HURRIYET on the discovery of "a 'Turkish network' extending to the FRG, Denmark, Holland, France, Spain, Italy, Switzerland, and Belgium." Gabrovski details reports of arrests of Turkish drug couriers and dealers in Belgium, Turkey, and Yugoslavia. He describes the narcotics production process, which commences "in May or June, when the poppy flowers are ripe." According to Gabrovski, the opium is then processed in primitive laboratories into 10-percent powdered morphine, and "such laboratories are located not only on the Turkish-Iranian border, but also in the interior of the country." This is confirmed, writes Gabrovski, by a report in the Turkish journal NOKTA on the discovery by police of a secret drug laboratory in Istanbul, "owned by Zahit Avdjubashoglu, [spelling of name as transliterated] an officer of the Directorate of Security responsible for combatting drug trafficking." Gabrovski also notes an Agence France Press report on the arrest of a senior Turkish army officer involved in delivering and selling over 160 kg of heroin in northern Italy.

Gabrovski then quotes a statement by Walter Leamy of Interpol's Narcotics Smuggling Control Department that since 1980, 80 percent of the heroin consumed comes from "a single region located between Iran, Turkey, Syria, and Lebanon, where there are hundreds of secret laboratories." Gabrovski notes that "Turkey continues to be the distributing zone for the transfer of narcotics. They almost all pass through Istanbul, and then reach the market through the hands of tens of thousands of Turks living in different European countries."

Gabrovski further states that "the Turkish Government, after banning poppy cultivation under U.S. pressure, recently cancelled the ban due to economic considerations." Gabrovski notes: "Next season it is expected that the poppy fields will triple in area, reaching 270,000 hectares." Gabrovski also refers to a report of the Turkish Chemists' Union that "from 1975 until the present the usage of heroin in Turkey has increased 78-fold, of hashish 18-fold, and of psychotropic agents 4-fold." "Now, with the new decision of Ozal's government to triple the areas of the poppy fields," warns Gabrovski, "new opportunities are being created for increasing not only the export of opiates, but also their domestic use."

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CSO: 2200/12

BRIEFS

BRITISH CONSULTATIONS--Sofia, 15 Oct (BTA)--Political consultations were held here on 13 and 14 October between the Ministries of Foreign Affairs of Bulgaria and Great Britain. The Bulgarian side was represented by Ambassador Valeri Pchelintsev, head of the "Western Europe, U.S. and Canada" Department, and the British by Mr David Ratford, assistant deputy minister. The two delegations exchanged opinions on a number of topical issues of international relations as well as on the state and prospects of the development of bilateral relations. Mr David Ratford was received by Mr Mariy Ivanov, first deputy minister of foreign affairs. [Text] [Sofia BTA in English 1723 GMT 15 Oct 86] /9604

HEALTH TALKS IN ATHENS--Athens, 16 Oct (BTA correspondent)--A delegation of the Bulgarian Ministry of Public Health led by Academician Atanas Maleev, first deputy minister of public health and president of the Medical Academy, paid a visit to Greece to discuss the prospects for the development of Bulgaro-Greek cooperation in the field of medicine. Academician Atanas Maleev had a meeting with Minister Yeoryios Yennimatas and with First Deputy Minister Ioannis Floros. The talks centered on the developing of new and progressive forms of cooperation, such as industrial cooperation and joint production of medical equipment and medications. [Text] [Sofia BTA in English 1644 GMT 16 Oct 86] /9604

WORLD METEOROLOGICAL COMMISSION SESSION--Sofia, 17 Oct (BTA)--The 9th session of the Commission on Atmospheric Sciences of the World Meteorological Organization ended. In the course of 11 days delegates of 44 countries reported on what has been done in the past 4 years in the field of atmospheric sciences. The session adopted an important document--the Second Long-Term Plan of the World Meteorological Organization Concerning Atmospheric Sciences for the 1988-1997 period. Here is what Senior Research Associate Dr Vasil Zakhariyev, director of the Hydrology and Meteorology Institute with the Bulgarian Academy of Sciences, said before a BTA reporter: "Special attention was paid to perfecting super-brief-term (up to 12 hours) and seasonal (up to one year) prognostications which will have a direct influence on the economies. The scientists expressed their alarm over the continuing pollution of the atmosphere, which poses a real threat to life on our planet. The session discussed some specific issues, among which were the use of satellite information, the observation of the climate and problems of tropical meteorology. [Excerpts] [Sofia BTA in English 1503 GMT 17 Oct 86] /9604

AFGHAN RED CRESCENT VISIT--Sofia, 10 Oct (BTA)--Mr Georgi Karamanev, deputy chairman of the Council of Ministers and chairman of the Social Council, received the visiting Afghan delegation of the Red Crescent headed by its secretary general Ms Soraya. They discussed questions of the cooperation between the Red Cross movements of the two countries. The meeting was attended by Mr Kiril Ignatov, chairman of the Bulgarian Red Cross. [Text] [Sofia BTA in English 1904 GMT 10 Oct 86] /9604

POWER SUPPLY REGULATION--Since 1 October in Bulgaria there has been in force a decree on the year-round regulation of the consumption of electricity by the population. It maintains the limitations in the use of energy introduced last year. Exceeding the limit up to a certain amount signifies an increase in payments, whereas above the specified amount for particular types of home it brings with it the threat of cutting-off the electricity supply. [Text] [Warsaw Domestic Service in Polish 1600 GMT 13 Oct 86] /9604

MIKHAYLOV SPEAKS IN SMOLYAN OKRUG--A plenum of the Smolyan Okrug BCP Committee was held in Smolyan under the chairmanship of Atanas Atanasov, the first secretary of the okrug BCP Committee, on raising the role of moral education as an important factor in the formation of the socialist personality. Stoyan Mikhaylov, secretary of the BCP Central Committee, took part in the work of the plenum. Nikola Kuchmov, secretary of the okrug BCP committee, delivered a lecture on the theme being examined. [Excerpt] [Sofia Domestic Service in Bulgarian 1000 GMT 9 Oct 86] /9604

ZHIVKOV MEETS CINEMATOGRAPHERS--On 13 October in Varna Comrade Todor Zhivkov met Bulgarian cinematographers, participants in the 19th Festival of Bulgarian films. A conversation took place, which outlined the most important aspects of Bulgarian cinematography and the contribution of the cinematographers to the ideological and esthetical education of our people. The participants in the meeting heard with great attention the speech made by Comrade Todor Zhivkov. [Text] [Sofia Domestic Service in Bulgarian 2030 GMT 13 Oct 86] /9604

LUKANOV RECEIVES RSFSR MINISTER--On 9 October Comrade Andrey Lukanov received Leonid Bagrov, RSFSR minister of the river fleet. In their conversation they analyzed the possibilities of significantly increasing the transportation of goods and freight along the two countries' water routes. First of all they stressed the possibility of applying new technologies and new forms of servicing. They also paid attention to the necessity of intensifying direct relations and business contacts between plants of the two ministries' systems. The meeting was attended by Vasil Tsanov, minister of transportation. [Text] [Sofia Domestic Service in Bulgarian 2000 GMT 9 Oct 86] /9604

ARCHEOLOGISTS MEETING IN SHUMEN--Shemen, 21 Oct (RABOTNICHESKO DELO correspondent's report)--The nearly 10-year-old cooperation between scientists from Shumen and the Soviet Union in research on the culture and everyday life of the ancient Bulgarians has reached its climax these days. Shumen is host to the Second International Conference of Archeologists

on the subject "Ancient Bulgarians in Eastern and Central Europe--6th to 10th Century." The conference opened at the "Vasil Kolarov" library in Shumen and was inaugurated by Academician Dimitur Angelov. Well-known scientists from Bulgaria, the USSR, the GDR, Hungary, and the FRG are participating in its work. During the 6 days of the conference nearly 40 reports and scientific papers will be read; creative discussions and debates will contribute to a more accurate understanding of certain aspects of the ancient Bulgarians' everyday life and their influence on cultural life in eastern and central Europe. The guests from abroad will have the opportunity to visit archeological sites near the ancient Bulgarian capitals of Pliska and Preslav and to become closely familiar with the achievements of the Shumen archeologists. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 22 Oct 86 p 8] /9604

CSO: 2200/12

JABLONSKI VISITS OPOLE VOIVODSHIP 17 OCTOBER

LD201119 Opole Domestic Service in Polish 1605 GMT 17 Oct 86

[Text] Members of the Sejm Commission for national defense led by the Chairman Henryk Jablonski visited Opole Voivodship today. In the morning a joint meeting of the Commission and Voivodship Defense Committee was held. During the meeting, first secretary of the voivodship party committee Eugeniusz Mroz assessed the social and political situation in the voivodship, and (Voivoda Kazimierz Dzierzon), voivodship defense committee chairman discussed the state of implementation of main defense tasks. The meeting was attended by General Antoni Jasinski, deputy minister of national defense. Later, the members of the Sejm Commission for National Defense laid flowers at the monument to insurgents on St. Anna Mountain, toured a museum in Lesnica, and met veterans of the Silesian uprisings.

A report-back and election conference of party organizations of the 10th Sudetan Armored Division, named after heroes of the Soviet Army, has been held in Opole. The conference was attended by Gen Tadeusz Szacilo, head of the main Political Directorate of the Polish Army; Gen Zdzislaw Rozbicki, head of the Political Directorate of the Silesian military district; and (Rudolf Golonka), secretary of the voivodship party committee. A report by the executive included a recapitulation of the achievements made so far by the division party organization. The list of these achievements is quite long, and includes activities that are already known: indeed, the social activities of soldiers and their effects are visible all over our voivodship. Among other things, this is the result of the party organization's work. A change in work style was emphasized as still more and more conscripts show interest in the party's activity in the army, with many of them not just watching but also deciding to reinforce the party ranks. In this case, an important role is played by youth organizations. Most often the way to the party leads through the activity in ZMS circles. The need was underscored, during discussions on expanding partnership in our army, for the soldiers to play a greater role in making its image. The creation of proper conditions brings desired effects quickly. Such is the situation in the 20th sudeten, as was emphasized by Gen Zdzislaw Rozbicki.

Other issues were discussed today as well. First, an issue underscored many times is the need for constant improvement of ideological work, now among party members. Second, a general intensification of party work. Here examples were given involving not only the division. Third is the task of relaying proper examples to soldiers, and of inculcating discipline and principles of good work organization. Obviously, these are only some issues and problems raised during the discussion, as considerable attention was also paid to shortcomings and errors in the work of the party organizations. The deliberations were on what to do in order to avoid repeating them, and on how party members could set an example for others.

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CSO: 2600/127

POREBSKI ADDRESSES WROCLAW PZPR CONFERENCE

AU202248 Warsaw TRYBUNA LUDU in Polish 17 Oct 86 p 2

[Speech by Tadeusz Porebski, PZPR Politburo member and Central Committee secretary, at a Wroclaw Voivodship PZPR accountability and election conference held in Wroclaw on 16 October -- first paragraph is TRYBUNA LUDU introduction]

[Text] T. Porebski concentrated on two issues: the intensification of political activities aimed at winning over more people for the party program and party involvement in resolving economic issues:

To accomplish the first task, it is particularly important that we strengthen our committees, especially primary party organization committees [POP]. During recent years the normal rhythm of party work has been restored: Meetings are taking place regularly, primary party organizations have programs of activity, and we are all involved in various forms of political education. But this is no longer enough. We must significantly expand the work that we perform outside meetings and define more clearly the goals that we intend to accomplish in party work. In essence, the following must happen: Discussion at a party meeting on the need to introduce improvements in a specific factory, for example, must cause the party member who is head of a department to think about how he can put into effect his POP's recommendation in the area for which he is responsible. Unfortunately, this kind of attitude, and in particular this kind of action, have not become widespread enough so far.

We are living in difficult times. Life is giving rise to many new situations and peoples often expect us to provide explanations of complicated matters. In order to prepare ourselves better for conducting discussions with non-party people, we must raise the level of our political knowledge. The reform of the party schooling system will serve this end. Recent years have taught us that there is never enough of the good kind of political information that party members and activists expect. This is an area of work in which we must improve and must seek better institutional solutions. What we entered as the POP's tasks in the resolution and the statute -- the POP is an initiator, an agitator, and a group of people that ensures that goals are accomplished -- must become an everyday fact, and be the focus of attention of all echelons at all times.

What we could describe as activities designed to strengthen the cells of people's power are also a very important area of activity. I am thinking in particular of people's councils and self-government bodies, those that operate on housing estates and in villages as well those in factories. I am also thinking of units of the state administration. It is our duty to exercise control over their operation and to provide them with inspiration.

But we must also think about supporting them and noting what functions they perform well and what matters they resolve efficiently. We have many selfless activities and people working in this field, and they expect a just assessment of their work.

The draft socioeconomic plan for the years 1986-90, which will shortly come before the Sejm, contains many demanding tasks. As one of its main assumptions, it posits the attainment of growth in output alongside a simultaneous decline in the consumption of raw materials. I fear that this fact has not got through to all factory directors and that so far no thought has been given to how this objective can be accomplished.

The second issue is our involvement in the implementation of the second stage of the reform, which will concern every workplace. It must be clearly acknowledged that the full implementation of the principles of the reform -- the implementation of its second stage -- entails a definite reduction in subsidies for the production of goods, with the exception of certain foodstuffs. It also means halting increases in wages without a corresponding increase in output. It also means an end or the severe curtailment of the number of preferential conditions which are unfortunately still enjoyed by a great many workplaces. These solutions should result in the full introduction of cost effectiveness principles in every enterprise and encourage thought being given to ways of producing economically. We must explain these truths to society.

Hitherto, our party has devoted little attention to the issue of scientific and technological progress. Our comrades in the CPSU, the CPCZ, and the SED have achieved far more in this field. We must understand that it is not enough to introduce these issues into our program of activity. the party must undertake serious work with the aim of promoting such progress; it must defeat conservatism, and pave the way for modernity.

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CSO: 2600/127

JARUZELSKI, MESSNER AT KATOWICE PZPR CONFERENCE

LD182131 Warsaw Domestic Service in Polish 1900 GMT 18 Oct 86

[Excerpts] Three hundred and ninety delegates representing the party organization of upper Silesia and the basin of more than 250,000 gathered at the PZPR voivodship report-back and election conference in Katowice. Wojciech Jaruzelski took part in the deliberations. The Katowice party organization has devoted much attention in the last term not only to interparty problems but, above all, to activity influencing social and economic processes, it was stated in the discussion.

The debates at the conference in Krakow concerned the relationship between science and economy. One of the participants said that it would be worth creating small innovatory enterprises which would work with the help of machines and equipment which were not fully utilized in workplaces. Zbigniew Messner and Alfred Miodowicz participated in the Krakow debates.

PZPR report-back and electoral conferences were also held in Lomza, Siedlce, Walbrzych, Ostroleka and Gdansk.

A PZPR voivodship report-back and electoral conference was held in Ostroleka with the participation of 249 delegates. Henryk Bednarski, Central Committee secretary, was a guest of the conference. At the end of the debate the delegates elected the new leadership. Jerzy Glowacki was elected first secretary of the voivodship party committee.

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CSO: 2600/127

JARUZELSKI ADDRESSES TEACHERS ON EDUCATION DAY

LD150949 Warsaw Television Service in Polish 1830 GMT 14 Oct 86

[No video available]

[Text] [Announcer] On the occasion of the Day of National Education and Teacher's Day, Wojciech Jaruzelski visited the teachers of the No 4 grammar school named after Hanka Sawicka.

[Begin recording] [Jaruzelski] I am very pleased that we can meet on this day, the day so close to the heart of every Pole -- the day of National Education, or to put it in other words, Teacher's Day. The word teacher has its own, very warm meaning -- great warmth. Each one of us knows what this word means and each one has a lot to be thankful for regarding this word. I am pleased that I can meet the pedagogues of this well-known school, this good school, in a city that means so much to the history of Poland and our culture in particular in regard to our literary luminary Stefan Zeromski. We have been here since the early morning. We have been to the Iskra production enterprise; but I think that the most significant moment is this meeting as it emphasizes the importance that is attached by our state leadership to matters of national education and the high ranking of the teaching profession. This is emphasized in the Teacher's Charter, the great and well-deserved achievement of the profession.

I have heard that the school in which you work is achieving very good educational and didactic results. We have seen here on notice boards (?photographs) of many knowledge contest winners. I wish to congratulate you sincerely on these successes and wish you further success in your pedagogical work, good health, personal happiness, and all the best.

[Unidentified voices] Thank you very much [end recording]

[Announcer] Next, Wojciech Jaruzelski went to the State Secondary Art School.

[Begin Jaruzelski recording] I wish to greet sincerely the teachers of this school and all the participants in this ceremony. I also wish to greet many young people gathered here on the occasion of National Education Day. I wish to express great joy that I was able to meet you on this day, in this famous Polish city of Kielce, which is so firmly imbedded in Polish culture. I am very glad to see that young people who have talent and artistic interests and skills will enrich Polish culture with new values. [end recording]

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CSO: 2600/127

URBAN ON FRENCH RELATIONS, PUBLICATIONS

AU240952 Warsaw RZECZPOSPOLITA in Polish 20 Oct 86 p 6

["Transcript" of the 14 October press conference held by Jerzy Urban for foreign and Polish journalists in Warsaw]

[Excerpts] Kay Withers, BALTIMORE SUN: can you confirm that the monthly REPUBLICA is to appear in the near future? When will it be permitted to appear? Any comment on the idea behind this periodical?

[Urban] It is wrong to ask me about this publication. A group of individuals are trying to establish the monthly and only these people can tell you whether it will appear and when. All I can say is that the people behind it have been assured by the relevant state office that the necessary legal permit allowing publication will be issued when they decide to start publication, provided they have the necessary funds and other resources and are able to fulfill certain conditions. As for commenting on this publication, why should I comment on it? How can I predict the role of a publication that does not exist?

[Kay Withers] Could you tell us whether during Premier Ryzhkov's talks in Poland the sides will discuss the issue of setting up the third channel within Polish Television, a channel that would beam programs based on Soviet materials?

[Urban] Excuse me, I am checking up on this in my papers. No. This issue was not discussed at this level.

[Mathiew Vita, AP] Is it possible that the Israeli visa section will be open in Warsaw this week? Or perhaps later on? When will General Jaruzelski travel to Rome?

[Urban] I am unable to answer your questions with precision. The opening of the Israeli visa section does not depend on us, but we hope that it will soon start operating. A similar Polish institution in Israel may be put into operation at the same time, but this does not have to be necessarily so.

The date for the trip to Italy has not been set.

[Donald Forbes, REUTER] Would you comment on Elie Wiesel's Nobel Peace Prize?

[Urban] I still do not understand your question. I know nothing about the award of the Nobel Prize and have nothing to say at the moment.

[Bernard Margueritte, LE FIGARO] You were kind to state that the visit to Warsaw by our minister of youth and sports has helped to improve French-Polish relations. Is not tomorrow's opening of the very large French exhibition in Warsaw further proof that these relations are improving, especially since the exhibition will be opened by Madam Raimond, the wife of our foreign minister, and since we may hope that her husband will follow in her footsteps?

[Urban] Your question has hit the bull's eye. Indeed, the opening of the French exhibition in Warsaw is an important event for our capital and another step toward restoring the proven Polish-French relations. We are very pleased that the wife of the French foreign minister is coming to Warsaw. As I have already said, her husband is expected to follow in her footsteps.

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CSO: 2600/127

POLITYKA INTERVIEWS SOVIET CULTURE MINISTER

AU261645 Warsaw POLITYKA in Polish 18 Oct 86 pp 1, 8

[Interview given by V. G. Zakharov, minister of culture of the USSR, to Zdzislaw Pietrasik and Jacek Poprzeczko: "Telling the Truth" -- in Warsaw, date not given]

[Excerpts] [Pietrasik, Poprzeczko] What is the meaning of the present changes in the USSR with regard to culture?

[Zakharov] These changes are enormous and effect all walks of life. They began after the CPSU plenum in April 1985, that is, before the 27th CPSU Congress. Their impact on culture is that culture is now being treated with utmost seriousness, because it is not a sector that is secondary to the economy. It is an important and harmonious entity. There has been a tremendous revival of creative work, of its propagation, and of extensive cultural life. It is impossible to overestimate the role of culture, because it is an area in which one individual is able to exert direct influence on another individual and his emotions and system of values. Never before have so many important cultural decisions been made as now.

[Pietrasik, Poprzeczko] What does the opening in culture mean?

[Zakharov] There has been a tremendous opening in culture. We have changed the procedure of orders for, say, sculptural or architectural work. We no longer have closed competitions for such work. We have only open competition. This is just one example.

[Pietrasik, Poprzeczko] Creative people view criticism in one way and the authorities in another way. This is a perennial issue.

[Zakharov] Under conditions of openness no one can suffer from criticism. It is always better to speak the truth straight out than to smuggle it in between the lines. Recently our press started to indulge in criticism so that some people are beginning to worry about this activity which is, after all, amateurish. But, as Comrade M. Gorbachev said, there can never be enough criticism. However, criticism must aim at creative and positive values. There must be no bad criticism. We must not criticize everything a priori.

[Peitrasik, Poprzeczko] During the writers' congress A. Voznesenskiy said that excessive interference by the authorities causes culture to dry up. In this connection we would like to know about the growth of the autonomy of cultural communities and about creative freedoms.

[Zakharov] Voznesenskiy was right in principle. It is really true that excessive interference impoverishes creative work. What is now taking place in the USSR is the abandonment of such a relation between the state and creative workers.

[Pietrasik, Poprzeczko] Is it now possible to speak of competitiveness in culture?

[Zakharov] I think that we need competitiveness because art cannot develop without it. Every monopoly in art leads to stagnation.

[Pietrasik, Poprzeczko] What about the cultural competitiveness between the socialist and Western countries?

[Zakharov] We have big things to show to the West. Our theaters and ballet continue to score enormous successes as attested to by the recent ballet performances in Paris and the United States. It is very important to know what can be shown abroad because foreign countries are not always really au courant with our cultural achievements.

[Pietrasik, Poprzeczko] During their congress the Soviet movie workers complained that you import too few movies from abroad and cited important old movies which Soviet viewers have still not seen.

[Zakharov] We continue to import many movies, but the problem is that they are not always the most valuable ones. Movies of poor artistic standards--the Westerns and other so-called commercial movies--used to be imported, while valuable movies were ignored. The present selection is much more thorough. We will gradually catch up with arrears in this regard.

[Pietrasik, Poprzeczko] Do you treat Western literature in the same way?

[Zakharov] I often discuss this issue with foreign nationals and ask them whether their countries publish as many foreign authors as the USSR does. Our monthly FOREIGN LITERATURE totals between 230 and 300 pages. Other periodicals also publish foreign translations in addition to the many foreign books appearing in our country. The West's knowledge of our literature does not amount to even one-tenth of our knowledge of Western literature.

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CSO: 2600/127

MOVIE INDUSTRY'S DIFFICULTIES VIEWED

AU261631 Krakow TYGODNIK POWSZECHNY in Polish No 42, 19 Oct 86 p 4

[Tadeusz Szyma article: "Movies -- the Gdansk Forum"]

[Excerpts] The recent forum of the Polish Moviemakers' Association did not differ from what we have gotten used to ad nauseam. It produced again the old list of profoundly correct demands addressed to the administration, demands that have made no impact all these years.

There is no cause for optimism. The economic situation of the movie industry cannot be any different from our overall economic situation. In addition, the ever more prolific control checks carried out by the Supreme Chamber of Control, which regards them as the only panacea for all ills, produce nothing and merely make people suspicious. The statistics that show that the cost of middling movies continues to go up and that fail to take into account inflation and bureaucratic stupidity in production organization are absolutely unreliable and give rise to justified complaints that public opinion continues to be deceived.

This is all the more annoying since funds continue to be carelessly squandered on movie projects that are abortive in advance and since preference continues to be given to movie production teams such as "Profil" and "Iluzjon," which are masters in botching up such projects. Clouds continue to gather over these teams. It happens often that the Chief Movie Board does script work for them and interferes in screenplays. What is worse is the long delays, amounting to months on end, in making decisions on proposed screenplays. The general grumbling that there is a lack of professional screen writers and of good screenplays does not hold water because interesting and ambitious screenplays also continue to be rejected.

As Wieslaw Saniewski said, there is a "bad atmosphere for problem movies" and a typical aversion against propagating good movies. Movie director Robert Glinski spoke about the practice of shelving many good movies and compared our domestic situation in this regard with the liberal situation in Hungary and with the positive changes in the USSR, where, following the recent congress of moviemakers, some 30 movies were "liberated from prison." As for the Poland, only two such movies have been allowed to be shown publicly.

The gloomy mood of the Gdansk forum was not improved by Minister Bajdor's concluding speech, which was conciliatory and which expressed the view that "the atmosphere seems to be evolving," that a "turning point" has arrived, and that in this connection "it is necessary" and "we must." In particular, he asserted that apparently "the system of cinema administration has been integrated to a higher degree." Personally I would like to have less integration and to see more specific action. For example, I would like the minister to fulfill his promise of releasing movies such as Zaorski's "The Mother of Kings" and Kieslowski's "Chance Event." Not much, but still something. Let us see.

/12624

CSO: 2600/127

BRIEFS

RYZHKOV VISIT TO WARSAW--The visit of Nikolay Ryzhkov [chairman of the USSR Council of Ministers] to Poland was an occasion for a review of Polish-Soviet political and foreign relations as well as for a discussion of the policy of both states on key international questions. A journalist of the POLISH PRESS AGENCY asked deputy premier Wladyslaw Gwiazda about the economic aspects of the talks and the decisions that were made last week in Warsaw. As the Chairman of the Council of Ministers Committee for foreign trade, he is responsible for questions associated with the increase of Poland's participation in the international division of labor. In accordance with the decisions made during the coordination of the plan, Wladyslaw Gwiazda said that the trade exchange between Poland and the Soviet Union in the next 5 years will come to around R74 billion. We expect that toward the end of this 5-year period we will return to second place among the trade partners of the land of the Soviets. The title of the interview, which is published in today's papers, is: From Intentions to Activities. [Text] [Warsaw Domestic Service in Polish 0730 GMT 21 Oct 86 LD] /12624

BARCIKOWSKI ATTENDS SZCZECIN PARTY MEETING--Ideology, consistency, work: this is the background to today's discussion of the 19th PZPR report back and election conference in the Adolf Warski Szczecin shipyard. Among the delegates representing the shipyard department party organizations are Kazimierz Barcikowski, member of the PZPR Central Committee Politburo and deputy chairman of the Council of State; and Stanislaw Miskiewicz first secretary of the Szczecin voivodship committee. The main point of the discussion was matters associated with the economic reform and the active attitude of a party member in implementing plan task and the resolutions of the tenth congress. Much time was also devoted to the authority of party members. [Excerpt] [Szczecin Domestic Service in Polish 1615 GMT 20 Oct 86 LD] /12624

FOREIGN ENVOYS RECEIVED--PAP--on 13 October Foreign Minister Marian Orzechowski received Branko Puharic and C. Maxime van Hanswijck de Jonge, Yugoslav and Dutch ambassadors, respectively, who paid preliminary visits prior to presenting their credentials as envoys to Poland. On the same day M. Orzechowski also received Spanish Ambassador Javier Villacieros, who took leave on completing his mission in Poland. [Text] [Warsaw TRYBUNA LUDI in Polish 14 Oct 86 p 5 AU] /12624

CSO: 2600/127

SETINC DISCUSSES ROLE OF SOCIALIST ALLIANCE

Zagreb DANAS in Serbo-Croatian 23 Sep 86 pp 12-15

[Interview with Franc Setinc, member of the Presidium of the LCY Central Committee, by Mirko Galic and Djuro Zagorac: "We Need Everyone"; date and place not given]

[Text] A member of the Presidium of the LCY Central Committee talks about the relationship between the LC and the Socialist Alliance, about whether the LC can build socialism alone, about the party monopoly, about alternative movements, about religious believers, about sectarianism, about the pluralism of interests, about decisionmaking in informal groups, about empty talk, about the need for dialogue, and also about whether the SAWP can be an opposition, competition, or a parallel party.

DANAS: Several months after becoming a member of the Presidium of the LCY Central Committee you published an article (in BORBA) which was programmatic in nature, which is a bit out of the ordinary in our practice. Was that the instinct of a former newspaperman, or the reasoning of a political leader that the problem of invigorating the "front" was so important to political life in general that you treated it as a crucial political question in your first inaugural article?

Setinc: I decided to write an article under my own name in order to stimulate discussion of the really crucial question of the activity of the Socialist Alliance and democratic relations as a whole. I know that I expose myself to criticism and even polemics by doing so. I was not deciding anything in advance, I was only offering one view of the problem, the view of a person who until recently had been the president of the Socialist Alliance of Slovenia and above all the secretary of the Central Committee, who had been confronting these questions on an almost everyday basis.

DANAS: The fact that the highest party leadership decided to place the activity of the Socialist Alliance on the agenda says a great deal both about the situation in the League of Communists and about relations in it. Why did they initiate this topic? And why at this time?

Setinc: On behalf of the League of Communists itself, that was the main reason, since we are convinced that it cannot perform its vanguard role in the

system of socialist self-management from the position of the party in power. We have to decide what kind of League of Communists we want. Are we still holding to the position of the sixth congress, or aren't we? I say that we are, just that we had too little success in practice. It does not suit us to have a League of Communists which is a mass party, but neither does it suit us to have a League of Communists which is a cadre party consisting of people who make up a chosen elite. The Socialist Alliance is supposed to carry on political work on a broad scale; all interests and all views which stand in correspondence to our global socialist commitments should be channeled through it, including the differences of opinion on certain specific cases, while the League of Communists should be the internal driving force of the system. Actually there is no alternative: either it operates within the system, or we will have a one-party monopoly. We will continue to have a political life traveling mainly on two tracks--the government track and the party track.

Accordingly, the relationship between the League of Communists and the Socialist Alliance is not the relationship between a cadre organization and its mass base, still less is it the relationship between the leadership and an organization which is its transmission belt. We cannot turn the League of Communists into a mass organization so that everything in favor of socialism would have to be in the League of Communists. Can the LC build socialism on its own? How about the other citizens who are also committed to socialism, but are not Communists? That kind of League of Communists does not need the Socialist Alliance! But I am persuaded that the League of Communists does need the Socialist Alliance, because the latter forces it to commit itself on certain outstanding issues, to strengthen its theory, its ideology, and its action, and to fight effectively against its own bureaucracy so that it can fight against bureaucracy in the system. Finally, unless people are organized in the system, they will organize outside the system, unless they can articulate their interests and express their opinions in the socialist system, they will do so in various forms outside the system. In this situation of crisis we need everyone. How are we to mobilize them, unless we make it possible for them to express themselves, to say what they think and what they desire? We will not find a way out of the crisis unless we create a broad and vigorous Socialist Alliance, if the League of Communists remains what it has been, unless it is democratic and persuasive and unified in its ideology and theory, as it was conceived by the sixth congress.

DANAS: Nearly 30 years have passed since the sixth congress. What has happened in the LC in the meantime?

Setinc: There are still quite a few elements of party monopoly in the League of Communists. But monopoly is not a suitable state of affairs either for creativity or for responsibility. The very fact that we are dissatisfied with the work of the Socialist Alliance indicates that there is one-sidedness in the development of the League of Communists.

DANAS: The Socialist Alliance was supposed to make it possible for even the differences and oppositions that exist to express themselves. It would seem that there is still a fear of differences in our country. Could that block the avenue to action as a whole?

Setinc: I can only confirm what you have said. The fear exists. But is it not better for those differences to be expressed, rather than for them to be concealed, for them to be expressed in an organizational format, rather than spontaneously? It is important that we be united on the strategic issues. Other differences do not frighten me. So differences should be acknowledged so that we can fight to overcome them, to achieve synthesis, to achieve unity through a contest of opinions. A certain nervousness is felt in our country. First we say that we want a contest of opinions, but when this happens, then we become nervous and ask ourselves what is happening, "what are those people doing over there"? This is why we have cases where people rise up outside the system here and there where there is no room in the Socialist Alliance, and you have various lecture series, round-table discussions, petitions.... I do not say that everything that rises up spontaneously is always progressive, but there are in fact progressive elements in that spontaneity. Why should we run away from initiative, from the proposals which come out of this? We have to make a choice and take a position: this is acceptable, this is unacceptable or hostile. There has been some of that, sometimes the enemy organizes himself in spontaneous actions. But just because there is a hostile element, we need not cut ourselves off from everything and reject everything as though it did not exist. There are good alternative movements, there have been attempts which deserve attention. How can we remain silent in the discussion of the death penalty; it may turn out that a majority favor keeping the death penalty. But the discussion of that should be organized in the Socialist Alliance. As a matter of fact, the discussions are already going on, but outside it. While we were wondering whether to initiate the discussion, it started, although we do not recognize it. Here we are hurting ourselves.

The question of the death penalty was the first thing that came to mind, there are also the questions of war and peace, ecology, certain philosophical problems, controversies in the world and in society, and so on. We are too narrow, the only topics we countenance are stabilization, the government, and the party. But life does not narrow down just to politics, to the economy, or to the government. And when the writer's association comes forth, we ask ourselves: Do they have a right to deal with matters outside their proper domain? Indeed they do, clearly they do. They live in this society, not on Mars....

DANAS: The writers have their sensitivity, just as the young people do and the veterans, and so on. Does it also seem to you that this seems to be difficult to recognize, or that some approaches are rejected out of hand or even called names?

Setinc: You are right. But we are now making an effort to change that situation. That is in fact why we need a Socialist Alliance in which not only the writers, but all those important to this society, will find expression. So let them criticize, let them present different appraisals, but in the end let them accept what emerges as the consensus. There have to be rules of behavior which all will respect. There is no time for postponement, we have to tackle this, indeed precisely because of this crisis we find ourselves in. We have to create the Socialist Alliance in which there will be even elements of political pluralism, not a pluralism in the sense of the struggle for power, of a contest among political parties. That is, it is evident that there exists a

pluralism of interests, that some interests are becoming politicized. We have to find room for them to be resolved within the Socialist Alliance, so that those tendencies do not in time become a demand for political grouping or the organization of political parties.

DANAS: You mentioned at the outset the experience you had working in the Slovenian SAWP. Can it be said that that republic has somewhat different experiences in the activity of the Liberation Front, that it has had fewer traumas and conflicts than certain other communities both in the war and after it, and that its experience is perhaps not typical nor the average for the whole country.

Setinc: It is true that Slovenia has a somewhat different experience, although Kardelj cautioned us not to emphasize only ourselves, since every part of Yugoslavia had its liberation front. But there were certain specific features, perhaps even because of the position which Slovenia had in the very heart of Hitler's Third Reich. It had to have a strong movement, since the Germans or Italians were capable of destroying any unit, but not the movement. Perhaps we in Slovenia, faithful to that tradition, have always paid greater attention to the Socialist Alliance, we have been more responsive to its needs and have had more courage to fight against sectarianism in our own ranks. I do not say that sectarianism does not exist even today, although there is no comparison between the situation today and the situation 15-20 years ago: at that time you could not even mention the idea of a priest being in the leadership of the Socialist Alliance. Once a woman teacher went to Pohorje to look at a peasant hut that could serve as a school during an exercise. In one corner there was a cross. She said: "This would have to be thrown out, this will be a Partizan school." But the old woman remembered how it was during the war, and she said: "Young woman, you don't know much about war. Mitja Ribicic and then the famous Commandant Sarh sat under the cross. The cross did not bother them."

DANAS: Should we also take into account the Slovenian relationship between the church and religious people on the one hand and the government, which has been less extreme and less fraught with conflict than in certain other communities where a portion of the church and the clergy were committed on the oppositionist side, which is felt as a trauma, represented by sectarianism on the side of the Communists and clericalism on the side of the church?

Setinc: What I am about to say will sound strange--the church in Slovenia is still more extreme. In Serbia there was an appearance of some kind of Nedic's power, in Croatia there was an appearance of some kind of government under fascist sponsorship. In the case of Slovenia there was a plan to eliminate it altogether, not only as a state, there was no question at all of its being a state, not even a vassal state as in Croatia. Hitler wanted to liquidate the Slovenian people as an act of genocide. In that situation Bishop Rozman entered into collaboration with the fascists, and in that way he isolated himself from the people. This had constructive traces after the war, since Slovenian clericalism has nothing to appeal to, it must keep silent, since Bishop Rozman gave his blessing to weapons, not on behalf of some vassal Slovenian state, but on behalf of a mere German administration and German Army.

DANAS: The way the problem of the relationship toward religious people is established today, not only in Slovenia, especially with respect to the activity of the Socialist Alliance, the League of Communists cannot recruit religious people, but the Socialist Alliance can.

Setinc: It cannot, but it must. Both religious people and also non-Communists. Recently Silva Jereb said that 20 percent of all the leadership bodies of the Socialist Alliance are not members of the LC. She was told: that is something you can be proud of. And actually that is not high enough. Kardelj said back in the days of the Liberation Front that it must be democratic, not only in its program, but also in the makeup of its leadership bodies. That should be respected today; there should be people who are not members of the LC and also religious people in the leadership bodies of the Socialist Alliance. We cannot classify people according to whether they have some party card, but rather on the basis of what their social involvement is. Let the members of the LC comprise 50-60 percent of the leadership of the SAWP if their election has been verified by the people, not only in the League of Communists, and verified on the basis of commitment, not on the basis of fine words.

DANAS: But some of the people who are not members of the LC will not enter the Socialist Alliance, since they think that that is only another name for the LC.

Setinc: Yes, that is what is said on the street: "It does not pay! Why waste time when everything is settled in advance!" At one time that was true. But that truth should be changed, the SAWP cannot be an accessory channel for political activity. It is best [sic] to make decisions informally, in small groups, and then later to seek a formal vote. This clouds over responsibility. People need to know who is making a decision and who is responsible.

DANAS: What are the guarantees that even in this situation the Socialist Alliance will not be reduced to a transmission belt and limited to a small group of activists, most of them from the membership and the leadership of the LC?

Setinc: The guarantee is that we are beginning to carry out a differentiation based on people's behavior in the Socialist Alliance and toward the Socialist Alliance. And if we give that organization its monitoring function, if within it we initiate debate on all the issues in people's life and work, then it cannot be a transmission belt. We have many cases of manipulation, arbitrariness, and pressure in society. The Socialist Alliance must be in a position to react to this on an everyday basis.

DANAS: When people abstain from political life, they find two types of excuses and pretexts, depending on who you talk to: first, that they cannot change anything, and second, that they cannot say everything.

Setinc: People in our country really do say everything, one can hardly say there is something that cannot be said. The problem is more where the discussions are being conducted, within the system or outside it, and how they end up--with a resolution or with no results. There is too much marking time in

our country, we talk too much, and we are slow to arrive at a synthesis. If all people do is talk, what does the Socialist Alliance gain? Talk alone does not make one productive. And we need a productive Socialist Alliance and a productive League of Communists, if society is also to be productive. And this is not just a matter of democratic discussion by the people, but also of responsibility of the leadership.

DANAS: Should people in responsible positions take positions of their own to a greater extent, and spend less time using the protection of the position itself?

Setinc: We lack rules of behavior, not just in the case of hiding behind the office, but throughout the entire political system of self-management. For instance, the relationship between the majority and the minority has not been settled, nor has the question of truth been defined. In the Martinovic case two truths were current for more than a year, and we still have not said who is speaking the real truth--Martinovic or Colonel Ivanovic. Someone in society must have the capability, the right, and the duty to say which is the truth and which is a lie. There would be fewer tensions than we now have.

DANAS: Do you know the truth?

Setinc: No, I do not know who to believe, Martinovic or the colonel. And there ought to be someone who has the confidence of the people to say: This is the truth! Then others would not call the dance and put this case to their own use.

DANAS: Sectarianism is most pronounced but most visible in its attitude toward religious people. But there is also a sectarianism directed toward the intelligentsia, a sectarianism directed against people who think differently, sectarianism directed toward people whose behavior is not "altogether fitting."

Setinc: Your point is well taken--sectarianism is not confined to the question of religion. There are still more dangerous forms of sectarianism, for instance, with respect to conception of the role of the party, the role of the Socialist Alliance, and the attitude toward the intelligentsia. There is quite a bit of that kind of sectarianism, we are not even sufficiently aware of it. The sectarianism in the view toward the party is especially dangerous. After all, the League of Communists must be a minority, and only as a minority can it be a vanguard. But a minority that represents a component of the majority, not a component that is separate from the majority, a minority which is confirmed by projects which are acceptable to people, not by projects which do not suit anyone but the members of the party.

DANAS: Will the issue be posed of the direct participation of the League of Communists in the system, in leadership bodies?

Setinc: Let us not delude ourselves: The League of Communists is responsible for the system, so that it is normal for its representatives to be represented in leadership bodies not as individuals, but as representatives of the LC, as delegates of the LC. I do not see this as a command system, but rather as

coresponsibility for development. Let the party come into delegate bodies with its own proposals, with its own arguments, and let the best and strongest position win out at the conclusion of a democratic discussion. This is the correct position, it does not give the party a monopoly on decisionmaking.

DANAS: It sometimes seems that the League of Communists has become a mass organization and that the Socialist Alliance has become a cadre organization which does not have a base. Why has this occurred? Is it because the membership in the LC possesses certain privileges, while nothing tangible is to be gained from involvement in the SAWP? Some people outside the party talk about the division into first-class and second-class citizens.

Setinc: Certain representatives of the church accuse us of that. They say: Religious people should also be allowed to belong to the LC, since without that membership they cannot exercise some of their rights. Let us leave to one side the motives which the church has in putting those things about, and let us say sincerely that this does sometimes occur as a problem: Some people enter the party on the basis of careerism, they think that it is easier to obtain a position with party credentials, although there is less of that now during the crisis. It is too bad that it has been that way. It would be normal for a good specialist to be a director of an enterprise without having to join the party to achieve it. Especially if the party organization has the backbone to oppose him together with the workers when something is not as it should be.

DANAS: The Socialist Alliance ought to be a place for dialogue. Are there people to be involved in this at this time, when there is a great deal of talk, but little real dialogue?

Setinc: I agree, there is not enough real dialogue. We have many debates, but it is like a conversation among deaf men, it leads nowhere, since there is no conclusion, no synthesis. We are a multinational community, and I do not understand the point of polemics which arouse interethnic tensions, but do not solve anything. Rupel is not a representative of the Slovene people, nor is Tadic a representative of the Serbian people. Neither one of them; to be sure, neither claims to be, but it would so appear in the spirit of their polemics, since each accuses the other of speaking in the name of someone. In whose name? And what does anyone gain by it?

DANAS: Whenever democratization comes under discussion as something that is desirable, something referred to as liberalism, as liberalization is taken up at the same time as a counterpoint. How do you look on that relationship? At what point under our conditions can democracy pass over into liberalism?

Setinc: I have read the entire discussion of Djilas in the plenum of the Central Committee. That was about liberalism. Liberalism always puts emphasis on the form: The important thing for Djilas was that we debate democratically, and he didn't care what the outcome or the content was. Djilas was not interested in what you were fighting for, what kind of idea was guiding you. When we talk about democratization, we always do so in order to build a more humane society, a more just society, a more socialist society. This was excellently

stated by Krleza in a statement made on the occasion of Kardelj's death, when he said that Kardelj fought for a socialist society, not for state socialism, for self-management, not for participation, when he said that we are not in favor of empty rhetoric, which now moves left and then right, but that we have our own programmatic line. The important thing for a liberal is the form, for us the class relations in society are important.

DANAS: What has happened to the program of the Socialist Alliance? Is it identical to the LCY Program?

Setinc: We often have a habit of saying that the LCY Program is at the same time the program of the SAWP. This is a big mistake. If we want to have a program for a mass organization, we must bring together people with differing views. But some of those who would become involved in the Socialist Alliance, who are committed to socialism anyway, do not like the atheistic position or the historical-materialistic outlook. We must be flexible in this, since the LCY Program is not for all members of the SAWP. The LCY Program is the basis of the programmatic orientation of the SAWP, but it does not contain every detail, every position, nor the program as a whole. I think that the Socialist Alliance must have its own action program, which would be entirely turned toward reality, toward the problems of the present time, toward solving them on behalf of greater effectiveness of social organization as a whole and in detail. This is actually a program which takes the general socialist goals from the LCY Program, but does not copy them down verbatim.

DANAS: Could it happen that the SAWP become competition or an opposition or a parallel party in society?

Setinc: That depends on the strength of the LC's theory and action, on the state of its unity. If we should develop the Socialist Alliance, while the League of Communists remains closed, then some of those deviations could actually occur.

7045

CSO: 2800/26

STUDENTS PREFER CONSUMER VALUES

Prague RUDE PRAVO in Czech 1 Sep 86 p 5

[Article by Miroslav Vyhlás, Ph D, CSc, Marxism-Leninism Institute of the School of Education in Ceske Budejovice: "Education For Motivated Activity."]

[Excerpts] At college entrance examinations, and sometimes even at Marxism-Leninism classes and in discussions with college students on issues of the socialist way of life, we encounter a rather narrow comprehension of that way of life. Some students continue to see in it only the standard of living, the possibility of buying new quality products, or social security and civic rights guaranteed by our socialist society.

It may be said that they have a one-sided preference for the so-called quantitative aspects of life, namely those that depend on the level of production forces achieved in society. Their answers prove that they omit the other, no less important, qualitative side. But it is precisely that other side that expresses first of all new, socialist production relations, our political system, and the relationship of people to social, moral and spiritual values. Included as well as conditions of peoples every-day life, work, time spent outside of work and its use, interpersonal relationships, rules of behavior, etc.

Although the majority of students has an active relationship toward social life, only a small minority can articulate what constitutes one of the most essential aspects of the socialist way of life, i.e., on individual's social activity.

We observe that even among students there are those who do not exactly abound in motivated social activity. There are certainly many reasons for this. In my opinion a rather substantial reason is that parents, teachers in the different school systems, and employees in children's and youth organizations are often unable to motivate young people toward socialist activity. Or they do not find enough time, will and energy to realize it in practice. The ways and means for changing this state of affairs are, however, not unknown.

Parents should encourage children and youngsters to join in family-oriented activities. They should show interest in their spiritual life, encourage their interests and hobbies, stimulate their curiosity and solidify emotional

ties within the family. They should serve as an example through genuine involvement, through identification with CPCZ policy not only by words but also by deeds. It is important to be able and willing to confer purposefully upon their offspring on interest in public affairs, to take them along to public activities (for instance to brigades where children can help with easier tasks), to explain to them in a simple way what significance such activity has for the town or district they live in, etc. At the same time, there is also an opportunity to influence young people to appreciate their parents' and grandparents' work achievements as well as the results of work in which they themselves have participated.

Teachers should motivate their pupils to achieve more than is demanded in the regular framework of their tasks, for example; in working on their reports, not to use only required but also recommended reading, to be persistent in their research work, in assembling materials needed for tasks within the framework of secondary school specialized activity or students' scientific work, to raise and ask questions during and after their classes in order to expand their knowledge.

Children's and youth organizations should organize diversified activities in which young people could participate in organizing under the guidance of older, more experienced people. Elected functionaries on SYF (Socialist Youth Federation) committees should have greater responsibility for organizing valuable and attractive activities.

The family, school and children's and youth organizations should cooperate in using free time profitably, curbing the uncontrolled influence of various gangs, and curtailing the non-productive idleness during free time. All these components of the educational system have a role in creating genuinely socialistic human relations imbued with consideration for people, kindness, politeness and readiness to help others. The formation of a socialist way of life for children and young people should therefore be understood and realized as a process from early childhood to preparation for employment, integration of young people into the work process and finally entrusting them gradually with responsible functions.

As educators we face an urgent dual task, i.e. to convey to young people the simple truth that, first, the socialist way of life is impossible without activity and, secondly, in the spirit of this reality, to introduce them at a tender age, consistently and deliberately, to activities that will develop their personality, to activities useful to the collectives to which they belong, in other words, to our entire society.

12707/9435

CSO: 2400/414

URBANIZATION CONSUMES ARABLE LAND

Prague RUDE PRAVO in Czech 1 Sep 86 p 3

[Article by Eduard Drabik: "How Can the JZD Be Saved?"]

[Text] In this 5-Year-Plan alone we should finish building about 480,000 apartments in all construction categories with all necessary technical and public facilities. Construction of other apartments will begin. All these tasks ensue from the Principal Objectives of Economic and Social Development of the CSSR. The houses have to stand on something. Is it always and everywhere necessary, however, to sacrifice land for development of towns and communities?

Recent experience could tempt us to believe that there is no other way. In the Sixth 5-Year-Plan, almost 84,000 hectares of agricultural land--in other words two small districts--in Slovakia disappeared. Strict government regulations on land preservation and the necessity for intensive utilization of developed territories put a stop to such "prudent management." In the Seventh 5-Year-Plan, the decrease in the SSR was reduced to less than one-tenth of the figure above.

A considerable portion of the land was also saved as a result of more exact approaches to the design of new projects and the density of prior development. The example of Kosice shows that it is possible to actually gain plenty of land in the cities. Exactly ten years ago, the government of the SSR approved as a guideline a territorial plan for the economic and residential agglomeration of Kosice till the year 2000; by that time, Kosice's population should reach 300,000. The development plans were prepared on a large scale. In 1972 a public state-wide contest was introduced to design a plan for the east city for 120,000 inhabitants. Everything was prepared and Kosice was to be expanded from Hornad to Torysa. This would have swallowed up another 2,000 hectares of arable land, which represents a medium-sized JZD (Unified Agricultural Cooperative).

These plans were corrected considerably by the government provision. As a consequence, Kosice's architects turned their attention to the reserves of existing territory and a new solution. The resulting urban studies eventually included ten options. Besides economizing land, the architects had to keep in mind not only further development of the city, industry,

traffic and the entire infrastructure, but also energy conservative, water and heating supplies and, last but not least, even such "minor objectives" as preservation of monuments and environment. The new studies required a lot of work. It was worth it. The economic effect aside, almost 1,800 hectares of land were preserved.

The decisive solution proved to be the cancellation of the east city construction, replaced by the creation of a new district in the vicinity of "Kosicka Nova Ves," where dwellings for more than 55,000 people will be erected. Instead of consuming additional land, an already considerably developed part of town will be completed, similar to the Tahanovice district, where 8,000 apartment units will be built. Here as well areas within the community and dilapidated industrial lots will be exploited. Simultaneously relocation of the Slovak Magnesite Plant, the most important source of air pollution, outside of the city was resolved. The first stage has already begun.

More intensive exploitation of already developed areas represents an important reserve. Extensive slum clearance is not being considered, but, for example in the New Town, 648 modern apartments will be constructed to replace 58 old, entirely unsatisfactory one-family houses. It has been established that various seemingly insignificant communities are not uninteresting. Six localities will progressively supply space for a total of 2,338 apartments.

Credit should be given to the city planners because when forced to modify the original plans considerably they did so thoroughly. Entirely new, for example, is the concept of transferring progressively the freight rail transport from the heart of the city beyond its boundaries to the East Slovakian Iron Works. This will enable more effective use of precious space. Furthermore, the freight railway station will be placed within the area of already constructed ESIW reloading on the wide-gauge railroad from the USSR. Certain unsuitable industrial areas will be later relocated or liquidated, which again will be beneficial to the city's development, the economy, and environmental protection. Thus, modification of the original plans brought further new solutions. Space was found for new small-size apartments for retired people and invalids. Construction of service, commercial and sport installations was completed.

Employees of the Principal Architecture Unit of the city of Kosice did not have an easy task, especially for locating new green spaces, which are still rather limited in the city. It was necessary to dip into [our] reserves; so far, 21 suitable locations were found in different parts of the city where hitherto used surfaces rather than new ones can be exploited. In less than 10 years the city's "lungs" will practically be doubled.

It is obvious that nobody is enthusiastic about increased construction, particularly when the widespread ideal is a one-family house with garden. However, it is necessary to weigh the possibilities seriously. Specialists assume that due to various circumstances the acreage of our arable land will decrease shortly from the current barely 30 acres per inhabitant to approximately 25 acres. This is considered the minimum for adequate food production. It is obvious that we cannot afford to squander out land. We should, therefore, pay tribute to Kosice's architects for their exacting goal of constructing a future Kosice of 300,000 inhabitants.

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