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CZECHOSLOVAKIA

Czech, Soviet Comments on Restructuring Ideas

90EC0037A Prague MLADA FRONTA in Czech
10 Oct 89 p 4

[Interview with Otta Lacis and Zdenek Jirku by Zbynek Fiala and Martin Komarek: "Reforming the Alphabet and the Alphabet of Reform"; date and place not given; first paragraph is MLADA FRONTA introduction]

[Text] Otta Lacis's book is entitled "Viyti iz Kvadrata," [Getting Out of the Square]. Such is the lot of the translator that he is now waiting for Squaring the Circle from this author. The concept is simple, even if it is difficult to express in a title. The original title of the book by the assistant editor of the now much sought after magazine KOMMUNIST was inspired by the familiar psychologists' test in which the subjects are given the task of connecting the four corners of a square in a single stroke. Yes, there is no other way to do it except by boldly going beyond the limits of the square, beyond the limits of the common and familiar. And that is precisely the situation we are experiencing today. Otta Lacis described his book at an exposition of social science and political literature in the House of Soviet Science and Culture in Prague. And since he is a Doctor of Economics he included in his Prague itinerary a meeting with the Projection Staff of the Czechoslovak Academy of Sciences. We took advantage of this interesting occurrence to ask parallel questions to him and the Deputy Director of the Projection Staff, Zdenek Jirku.

[MLADA FRONTA] We are living in an age of polemics in which many things are changing. In this context, there is much discussion of what is and is not socialist. Where do we find certainty? So, is the plan the basic building block which designates the socialist character of society?

[Lacis] No. I do not agree with your contention that the plan is a uniquely socialist instrument. Socialism certainly uses the plan differently than capitalism or feudalism but the plan existed even in slave society. The planned economy appeared long before the October Revolution. Engels recognized in the 19th century that with the rise of active societies unrestraint ended and planning appeared. The difference is whose interest the plan is used to further.

[Jirku] And also what is meant by the plan. It matters whether it is just a collection of mysterious indices and nobody knows where they were taken from or how they arose—something was just written on paper and put forth as a plan—or whether it is a project for achieving real and socially attractive targets. Such a project we naturally all need.

A projection of the future necessarily entails risk. In previous planning practice, however, that step was simply avoided. As a plan was written and approved no one asked what would happen if this or that prediction proved wrong.

Let us take our enormous investment in construction. We plan the completion of a particular factory, bridge or freeway, give it two or three years, then a specific deadline and specific specifications. But no one concerns himself with what to do if it is not done or if the deadline is not met. Such questions are simply not asked. In practice we know that deadlines and specifications, as they are planned, are met only seldom, as a rule really never. But then we can say that such a plan mutely forecasts chaos in society.

[Lacis] I do not agree with the primitive criticism of socialist economics which maintains that we need less planning and more market ties. It is not a matter of having too much planning but of having bad planning.

I would characterize economic management up to perestroika as somewhat bureaucratic anarchy. Planning and centralization were reduced to papers and directives moving down from above. But life cannot be decreed.

Enterprises before did not want to expand production, only fulfill the plan. The less, the better. Now they are preparing their plans themselves. The more they produce the more the exchange and the greater the profits and revenue. But to profit more they must not only produce better, they must sell at a higher price. Or to make more, but bad primitive goods. Only the market can stop this kind of antisocial activity. The market of consumers. The government of consumers. But this does not exist because our market is in disarray. And it is in disarray primarily because of faulty planning.

Also our state began an enormous number of construction projects. Even if most of them were necessary, their overall quantity pervaded the plan absolutely without restraint. The state committed itself to more construction than it could complete. Now we are in a situation where many funds have been spent, people have been paid, and there is no production.

From this arises inflation and inflation disrupts the market. It has been shown that the market fails to function, not because of overplanning but because of too little and erroneous planning.

It is especially unfortunate that the new government has tolerated these errors. Now exceptional measures have been adopted and the government promises that the deficit will be eliminated in two years.

But the problem is that we no longer have any spare time for fixing mistakes. Reform was needed in the 1950's when the overall state of the economy demanded it. In the 1960's conditions were still quite good for it. Reforms were also undertaken then but were then interrupted and not resumed. If we had undertaken reforms in the 1960's we would be living quite differently now. Then of course it seemed that it was not yet so bad, but that reform was necessary. Now, when everything is in disarray, it is much more difficult.

The economic system which was developed in socialist countries is a specific administrative system for extraordinary circumstances. These conditions of course have long ceased to exist. The effectiveness, and the longevity as well, of the system has declined steadily. Historical longevity is of course variable, the CSSR and GDR can maintain this system longer. The tendency is however the same. This economic system is no longer capable of functioning. It gradually squanders resources and proceeds, sooner or later, to its own complete destruction. That is a law of nature. Administrative relations must be replaced with normal socialist market relations. As to the market, we had it before, even under the administrative system. It was here. We just ignored it, so it also became deformed. We had a sick market and a sick plan. We need a healthy market and a healthy plan. It does not make sense to be without either the first or the second.

[MLADA FRONTA] If socialism is not defined by the plan, wherein lies its substance?

[Lacis] I would say that Lenin discussed with Plekhanov a well defined socialist system of production 80 years ago. According to him, it is production employing the whole society for the benefit of the whole society and the goal of which is the overall development of human character. That is mainly what is encompassed by the expression "the interest of society." The plan exists under capitalism and socialism, the difference is whose interests are served. Market economics exists in both capitalism and socialism, again the difference lies in whose interests control.

[MLADA FRONTA] We are really examining letters in the alphabet of our life. What about ownership? Will we find uniquely socialist forms?

[Lacis] A firm economic law applies where concrete forms of ownership are concerned. That is viable which is effective. It cannot be dictated by any ideological dogma. We cannot order life; life dictates its own laws. We can only recognize them and formulate them. This has been known a long while. It was said by Hegel, and Marx.

[Jirku] Usually when we get to here in these discussions we hear the warning that we are setting foot on dangerous soil. It is nevertheless a question of power.

In the Czechoslovak and Soviet constitutions it is written that power belongs to the working people. I think the time has come, in the context of what Comrade Lacis has said, to formulate this question another way.

Why? I will start rather broadly.

Bureaucratic centralism did not lead to the formation of some sort of optimally functioning centralized system. It has led to a special type of liberalism where no one obeyed the center. Everyone works on what interests him, orders are not filled, all manner of routes are taken. And thus arises, not only grey economics, but grey politics. New relations between people and institutions

are arising which cannot be seen in any laws and orders, but which show us every day that such alliances function successfully.

[Lacis] We have created a kind of feudal system where the feudal lord is the Ministry....

[Jirku] In modern socialism the issue should be put thus—power belongs to the productive people. Among us, a worker is one who is employed. And many employed people go to work only for money. But power should belong to those who create value. Obviously value is created by the teacher, doctor, the person who sweeps the streets, and by the nurse who takes care of my old mother so that I can work. All of these people produce value; none of them is a worker in a factory.

If we give power to the productive people, it does not matter in the end what form of social ownership there is, whether it is individual or communal, whether it is the property of the city, the village, or of the state. As long as we have universal ownership, where property belongs to no one, no one bears responsibility for it. The bureaucrat in the ministry deciding to produce automobiles and how many to make bears no responsibility for whether this production satisfies social needs.

[MLADA FRONTA] Let us look at the issue of power from the opposite end, the means to freedom. We consider the liberation of work the basis of socialism. How do we accomplish this in practice, so that it does not remain merely an ideal?

[Lacis] It is a question associated with economic and political reform. We started with economic reform and felt that it was not enough, so now we are beginning political reform. Enterprises received considerable control over their revenue. That was the first, very serious, step. And the second is here. Working cooperatives are beginning to elect their leaders. Many say that this part of economic reform is premature. It is possible that they are right. In Hungary they started economic reform in 1968; elections of leaders started in the 1970's. That is plainly a correct approach. We had elections concurrently with reform. In the cooperatives we have not yet realized real social interests, and therefore the market does not yet function fully. People do not always choose the director who effectively organizes production, but give preference to an agreeable person who distributes everything, raising pay and disrupting production. Thus we must discuss when to introduce what, and what mistakes are where. But nothing will change the principle that in the final phase reform must include this element.

That however is not the main thing. The main thing is that the cooperative enterprise itself decides on the creation and use of its revenues.

We encounter still greater complications when we proceed beyond the area of the enterprise. The right to plan production was given to the enterprise—but it was not taken from the ministry. This leads to horrible disorder and feuds between them. This has now been gradually

corrected by changes in the law on enterprises. Enterprises can leave the associations and under certain conditions can be separated from the ministry. The ministry however has in its hands all funds, all deficit materials. When enterprises are removed from the ministry, they go begging; no one will give them anything.

First, it is necessary to end shortages, put the market in order and then it will be possible to reign in the ministries. The enterprises later will have to go to centralized direction, in the form of voluntary associations. This was tried in the twenties and it proved to be an entirely practical thing.

[MLADA FRONTA] In the Soviet Union today there is much talk of the separation of powers, especially in connection with the activity of the new Supreme Soviet.

[Lacis] The Supreme Soviet in the past acted more or less as a formality, principally because it worked unprofessionally. It met twice a year for two or three day sessions. In this time it merely rubber-stamped laws which had been approved by the politburo and had been prepared by the bureaucratic apparatus.

The Supreme Soviet has now convened for its second session, working for the first time on a truly professional level—many have nevertheless criticized it, saying that its members had not been elected democratically enough—it has demonstrated that it wields governmental power seriously. It rejected several candidates for minister and even turned down the deputy president of the government. Nothing of the sort had ever happened before. In the past, all those proposed by the premier had been approved automatically. In its opening session the Supreme Soviet had already demonstrated that it can handle executive power.

The most basic element of every democratic society is the separation of legislative, executive, and judicial power, the subordination of executive power to legislative, and of all power to the law. Among us the lordship of executive power ruled over all. Above even legislative and judicial power.

[Jirku] That which comrade Lacis says is of enormous significance for the resolution of practical problems—economic and social. We have grown accustomed to regarding the center, politics, the political leadership of society, as that unit in the society's government which represents the social interest in conflicts among various interests manifested in society.

I will present a practical example. We have been discussing, for example, the necessity of significantly reducing uranium mining in Czechoslovakia. This specialty employs 40,000 workers. Obviously it is necessary to take care of these people and provide them with a responsible social security. But take note of how we carry out this operation. We perform it like an operation in which the center steps out against the interests of these 40,000 people and gives them a dialogue on how to resolve these problems. But we never let it be known how

ineffective uranium mining was or what its effect was on overall society. We did not inform the public that the liquidation of this prospectless production was in the interest of 15 million people, not the center.

One of the conditions of glasnost is that it is possible to resolve conflicts of interest through a democratic route and that the objective necessity of liquidating a particular industrial branch or a certain enterprise should not appear as a "center versus factory" conflict rather than a real conflict of "society versus factory."

There are thus many things we must guard against. People do not know under what circumstances a given factory produces goods, what its ecological and social effects are, etc. As long as we do not have such an instrument for the exercise of power, then many wholly economic problems will not be resolved. As long as this conflict is on the level of "the factory versus the ministry," "the factory versus government," "factory versus the central committee," very often it will happen that it will be resolved unilaterally in favor of the factory.

[MLADA FRONTA] The last question—Otta Rudolphovich—to what are you now devoting the most attention?

[Lacis] When will there be soap on the market and what will become of our socialism. When will there be soap? That we know. The ministry of commerce promises that by the end of this year it will again be possible to buy soap without lines. But regarding socialism, that is a very interesting question because, as is commonly known, restructuring is leading us from socialism deformed and broken by Stalinist perversion and Brezhnevian bureaucracy toward the socialism dreamed of by those who made the October Revolution. But to do it under contemporary circumstances is really an unusually interesting question from both a theoretical and practical perspective.

The 28th party congress will take place soon and our magazine is beginning a discussion of what will be socialism's new look. The whole range of conceptions associated with socialism will have to be conceived anew.

Last year in the 13th edition of our magazine we published an editorial on this subject. In meetings our readers at once praised and criticized us. They criticized us because much was left out of that issue. We knew this ourselves when we published it, but we worked under the belief that even if we did not have a ready answer for every question, we could no longer refrain from asking it. OGONEK can say: "I do not know this, let KOMMUNIST explain it for you." We are the theoretical organ of the party and are responsible for knowing, even if we ourselves do not know. We put together all that science was able to say, mainly materials from seminars conducted by the vice president of the Academy of Sciences of the USSR, academic Kudryavtsov, in the social sciences department, and worked them into the edition. On

our own, we know that if we wait for contributions from scientific institutions, people would lose patience.

Now we will start to widen the discussion. Now we want to devote an entire edition to the question of what should be included in the category of socialism in order that it will be what we want to have. And we will carry on the discussion until the 28th Congress.

You asked what I am devoting the most attention to. Under perestroika many interesting things are happening now. But if you ask what is the most important, it is this very discussion.

Status of Slovak Minority in Hungary Appraised

90EC0036A Bratislava LITERARNY TYZDENNIK in Slovak 7 Jul 89 pp 9-10

[Article by Jan Bobak: "Slovaks in Present-Day Hungary"]

[Text] Slovaks in Hungary—who mainly live in the former administrative territories of Vespem, Komarno, Piestany, Novy Hradok, Heves, and Borsod-Abov-Zemplin—were an integral part of the Slovak nation until the breakup of Hungary and, together with the Slovak nation, accounted for the original Slovak ethnic territory within the framework of the multinational state. As a result of the internal colonization within the framework of Hungary, the Slovak population in present-day Hungary accounts for numerically strong groupings, mostly in the districts of Congrad, Bekes, and Sabolc-Satmar. A similar process, in reverse, was taking place with regard to the settlement of the Hungarian population in Hungary within Slovak ethnic regions, for example, in the southern part of Slovakia. However, in 1918, the Slovaks entered the Hungarian state as an ethnically disintegrated whole, deeply impacted by forceful Magyarization. Despite all positive efforts, it was not even possible after 1945 to halt the negative tendencies of unnatural assimilation of Slovaks. One of the results of these unfavorable tendencies is the fact that, from the standpoint of social class structure, Slovaks in Hungary continue to be, essentially, a peasant population. Even though, immediately following liberation, 500,000 Slovaks lived in Hungary, according to the first population census in 1949, there were only fewer than 8,000 Slovaks accounted for by nationality and, during the last census in 1980, there were approximately 9,000.

Representatives of Slovak national life have brought up the problem of halting unnatural assimilation of Slovaks in the Hungarian People's Republic, the strengthening and deepening of their national consciousness, the preservation of their mother tongue (even though only in the form of currently dominating dialects) and a complex of other questions connected with these developments since the 1970's with a new urgency. The specifics of solving the nationalities question in the Hungarian People's Republic, in comparison with the majority of the socialist countries, lie in the fact that, until now, the

solution of the problem has been absent from the legislative level. It has only been since the beginning of the 1970's that nationalities in the Hungarian People's Republic have begun to be accepted as political-legal subjects in the socialist state context. Thus far, however, their natural rights as ethnic minorities are not specified and guaranteed at the level of any constitutional law. The views of some representatives of Hungarian public life recall the bitter taste of long past times when they are expressed in conjunction with the requirement to solve the Slovak question and note, with unconcealed astonishment that: "...the Slovak nationality has thus far not manifested any kind of claims aimed at cultivating its language and culture." In the opinions of this portion of Hungarian society, Slovaks were perceived as Hungarians characterized only by the special quality that they speak Slovak in private. This strong societal pressure forced Slovaks to speak Hungarian in public even among themselves. Even at the previous Congress of the Democratic Union of Slovaks, the majority of the delegates spoke in the Hungarian language. This can simply not be qualified as anything other than an express anomaly.

According to estimates made by representatives of the Democratic Union of Slovaks, between 110,000 and 120,000 Slovaks are currently living in the Hungarian People's Republic in 11 administrative districts. Considerable problems are encountered regarding the question of their precise count which has an impact on the overall solution of the Slovak question in terms of its final effect. Official data from the last census in Hungary, dated 1980, only show 9,101 Slovaks by nationality. The paradox lies in the fact that the listed number of statistically documented Slovaks accounts for the number of Slovak students studying nonobligatory Slovak language at Hungarian schools. This does not include those students who are not studying this nonobligatory subject at Hungarian schools. It will be necessary, without emotions and without preconceived notions, to find a definite solution to this serious question. No one in contemporary Hungarian society should encounter any problems merely based on the fact that they claim a nationality other than Hungarian. However, certain difficulties in this regard are caused by the fact that the Democratic Union of Slovaks was, hitherto, officially prevented from creating its own membership base, which deprived the union of the possibility of direct contact with the Slovak population. This anomaly, which is virtually 40 years old, has currently been partially overcome. Recently, the first branches of the union were established in the districts of Komarom, Novohrad, and Bekes.

The resolutions of the Eighth Congress of the Democratic Union of Slovaks, which was held in December of last year, have become landmarks in the development of the Slovak question in the Hungarian People's Republic. Apart from questions involving the degree of unnatural assimilation, the central point of criticism exercised by the delegates of the congress became mostly the education system in Hungary which does not facilitate an

adequate measure of instruction in the Slovak language and the unnatural condition under which children from purely Slovak communities and settlements are objectively compelled, beginning in kindergarten, to attend schools where instruction is accomplished in the Hungarian language. This situation in education has existed since 1918. We cannot, therefore, be surprised if even the current Slovak intelligentsia in Hungary, which is a product of this school policy, has not essentially mastered the Slovak literary language, without regard to its age categories, not to mention its national consciousness. And this is the principal reason why, in Slovak communities and settlements, local dialects predominate and have become, essentially, the final refuge of the Slovak language. "How are things with us?", asks the well-known Slovak poet and writer of prose, G. Papucek. "We have schools where some subjects are taught in Slovak, but we only have these schools for show. In the predominant majority of our communities, populated by Slovaks, there is a Hungarian school...." In the Hungarian People's Republic, there are currently only five general education schools which are officially called Slovak. At these schools, however, Slovak children are presented only three subjects in their mother tongue, that is to say, the subject of Slovak language, history, and geography. The remaining subjects are taught in Hungarian. In the school year just past, these schools were attended by 695 Slovak students which, compared to the previous period, represents a significant decline. With justification, representatives of the Democratic Union of Slovaks dubbed these schools so-called Slovak schools. In this connection, the general secretary of the union, M. Jakabova, noted: "In Hungarian society, the culture and language of minority nationalities does not generally enjoy a great deal of interest. And this is mostly reflected in the school." Political and state organs in Hungary until recently, at various opportunities, proclaimed the nationalities question in Hungary to have been solved, to be complete, and to serve as an example for other countries, mostly for neighboring countries. Members of individual nationalities were introduced by official propaganda as happy "dancing and singing" collectives. And the process of assimilation quietly proceeded behind this official facade. Unfortunately, we have ourselves acquired this view of Slovaks in Hungary in terms of our official approach. Until recently, it was a serious violation of socialist internationalism to even mention the problem of Slovaks in Hungary, even between the lines. The social restructuring in Hungary, however, has revealed the illusory nature and the harm done by this officially cultivated optimism in its full nakedness.

The process of socialist rebirth and democratization of Hungarian society has also found the Slovak population in its full activity. "Those who were dumb have begun to speak," says the editorial in the first issue of the literary and cultural journal of the Democratic Union of Slovaks in Hungary, SME. The delegates to the eighth congress of the union charged its apparatus to formulate, on the basis of adopted resolutions, a petition addressed to the Government of the Hungarian People's Republic,

dealing with the assurance of basic conditions for the existence of Slovaks in Hungary as a national minority. The petition, which was sent to the Hungarian Government in February of this year, contained 10 points dealing with basic questions of preserving and developing Slovak life. A sizable portion of the criticism was aimed mostly at the current education policy. As the petition stresses: "...The current status in this regard can be perceived virtually as mocking our nationalities policy and discriminatory with respect to parents of the Slovak nationality and their children." This unfavorable situation in the education system is one of the principal reasons for unnatural assimilation of Slovaks and for the deformation of their national consciousness. However, there are some erroneous views which are turning up even among Slovaks in Hungary which claim that they can remain "Slovaks" even though they become Magyarized in terms of language. More important than a mother tongue is the "national" consciousness and a relationship with regard to Slovakia. This is a harmful underestimation of the function of the mother tongue in the national collective. Linguistic assimilation under conditions prevailing in Hungary would mean a definitive decline of Slovaks and of their culture. The only way toward their national rebirth is the path toward the development of the mother tongue. And, on this fundamental base, the development of a national consciousness, culture, and literature. Slovaks residing in Hungary expect important assistance and support in this direction from the appropriate institutions in the Slovak Socialist Republic. However, as M. Jakabova recently found with bitterness in an interview given to the weekly ZIVOT, more attention is currently being devoted in Slovakia to overseas Slovaks than to those who live nearby and claim Slovak nationality. This criticism is worth some thought.

Apart from questions dealing with the Slovak education system, the creation of favorable conditions for work pertaining to the union, Slovaks in Hungary are demanding the establishment of at least one nationalities publishing house, the assurance of the application of language duality in regions populated by Slovaks, representation of the Slovak populace in local councils, the assurance of the means for publishing an illustrated youth and sociopolitical journal in the above-mentioned petition. In Hungary, for a period of 40 years, there has been only one Slovak language periodical—LUDOVE NOVINY. Simultaneously, the requirement was enunciated to have members of the Slovak nationality participate in the upcoming census in Hungary in 1990 in mixed nationalities regions.

The activities which Slovaks are engaging in in Hungary following the eighth congress of their union has no precedent over the past 40 years. The intensity and extent of their cultural-political activities is comparable to the struggle of their grandfathers and fathers for national emancipation in the 1920's and 1930's, which was organized in the Party of Slovak National Unity and in the antifascist front of Slavs. It is also noteworthy that their activities are not oriented only in one direction, but

are palpably manifest in all directions of social life. A specific place in Slovak national life in Hungary has been traditionally occupied by culture and literature as separate entities. This is deeply rooted in the Slovak national movement and is externally connected with it. Slovak literature was objectively compelled to supplement those institutions which Slovaks were not accorded in Hungary. When, after 1918, a Slovak language was banished to peasant shanties and huts, a type of popular poet and writer developed in this national and social misery to whom it fell to resurrect that which was to be buried. Thus, contemporary Slovak literature in Hungary, even though it is functioning at a higher professional level, is unbelievably closely linked with the life of the Slovak minority in the Hungarian People's Republic, expressing its most intimate feelings and longings. It is precisely through this that it has become the actual conscience of Slovaks living in Hungary.

Writers Union Chairman on Prospects of Literature

90EC0030A Prague KMEN in Czech 14 Sep 89 pp 1, 3

[Interview with chairman of the Czechoslovak Writers Union Miroslav Valek by Pavel Frybot and Ondrej Neff: "There Is Only One Literature"; date and place not given]

[Text] [KMEN] To a majority of the members of the Writers Union it is still unclear what the Czechoslovak Writers Union is working for and what its purpose is. It seems to them logical that there are national ministries of culture and no federal one; why then are there "umbrella" organs of the artists unions?

[Valek] First of all, the Czechoslovak Writers Union cannot comprise some sort of "umbrella" organ over the national unions. It can be taken as an executor of the will of these unions, as a coordinator principally in the area of foreign political affairs; but in the current situation it could also play an important role where internal political problems are concerned. We must understand that the profile of both national unions is constantly evolving, for they are not as sharply defined as the situation demands. They are not even united in their views on certain problems. I think that there could be an open area here for the activity of a federal writers union—which to one extent or another could apply as well to the other artists unions.

I further think that it is not a negligible fact, whether Czechoslovak art is perceived as Czechoslovak by foreign partners, even if Czech and Slovak literatures are national. I do not think that this fact could be somehow particularly emphasized or suppressed; it is as it is, which means only that these relations remain. If we could turn things around and our perspective to certain other literatures, we would come to the conclusion that, while we certainly perceive a Russian, Ukrainian, Armenian, and Georgian literature, we are concerned primarily with Soviet literature, when we consider it in rather more global terms.

Whether a federal writers union will fulfill this function, and whether it will do it successfully, depends not only on the federal union but also on the will of the national unions. They must clearly indicate what they expect from a federal union, because it can only do what the national unions give it authority to do. It could not intervene in national literature but it could help shape the profile of Czechoslovak literature. Besides this, I think that a federal union—this visible mark of unity, even of the involved unity of our national literatures—cannot be erased, principally for political reasons.

[KMEN] You indicated that the national unions do not always accomplish what is expected of them, that they are still not outspoken enough. What do you mean?

[Valek] I do not want that to look like a criticism of the national unions. Simply—in the context of national literatures certain processes are unfolding in the policies of these unions that could have been deterred, if it can be put that way. The matter of how far they have actually been deterred I will leave to the critics who exist in these unions who have spoken out on this, speak out, and, I imagine, will continue to speak out.

[KMEN] You were the Minister of Culture of the SSR for many years. Do you suppose that you have as much or more power in your current function?

[Valek] I would say that this parallel is unrealistic and ahistorical. We find ourselves in a new situation, in new circumstances, and it is necessary to create unique opportunities to make the cultural policy in our region function as we picture it.

[KMEN] Will the creative unions have greater authority in this new situation—perhaps even at the expense of the role of the Ministry of Culture?

[Valek] I do not understand that question very well. Why would this be at the expense of the Ministry of Culture?! The activity of the Ministry of Culture encompasses a great number of problems which would concern the writers union only slightly or not at all. Besides this, the Ministry understandably addresses affairs which are very close to literature. The authority of the artistic unions will be such as the unions create—even if I do not think that it is always necessary to knock on open doors. I did not say that the unions suffer some kind of pressure that must be removed. On the contrary, from an economic perspective things are not bad for them. I imagine that your question alludes to the very much discussed problem of the admittance of the creative unions into the National Front. This opportunity exists and I doubt that anyone would stop them if the unions began to meet the demand for this transition. There is, of course, the question of whether they would gain anything by this.

[KMEN] You are, as far as we know, an opponent of such a move...

[Valek] I am neither an opponent nor an advocate; I am a person who considers what it would do to the unions

and what it would do to the development of culture. At the outset, I do not see a substantial qualitative change in the situation resulting if the unions come to belong to the National Front and not the cultural community.

[KMEN] In the seventies the feeling held sway among us that, in the area of culture, much that was not possible in Bohemia often could be done in Slovakia. Was that to your personal credit or the result of other, rather particular, relations and circumstances?

[Valek] I am an enemy of personal credit. I think that as far as these differences existed, it would have been principally on account of the favorable climate in Slovakia—I mean in the cultural area. But that would obviously require further analysis.

[KMEN] As Minister you obviously had a significant influence on creating the climate....

[Valek] I will acknowledge that I had influence. But that does not mean that one must speak of personal credit.

[KMEN] And do you imagine that you can exercise an analogous influence on the development of culture in your current office?

[Valek] Influence does not lie in the street and one cannot find it and take it. For this it is necessary to establish a certain authority; the possibility to have influence on affairs depends on the extent to which we—when I speak in the plural, I have in mind the unions and their members—have formed a position regarding the issues (which in today's situation means not only clearly literary issues, but social-political ones as well), the extent to which we will be able to apply this position, and the extent to which it will be clear to all that we are a partner who does not change its positions from day to day, which does not like an extreme position, but holds to his views.

[KMEN] You speak of the authority of the union...but this is often contingent on financial resources. The writers union is, however, subsidized. It no longer belongs to the Litfond; when it needs money, it must request it...Do you consider that an ideal situation?

[Valek] The Writers Union should exercise influence in the Litfond, in publishing houses, and the like through its committee. Its members would make contributions to the free organs of the union. This is how the current model looks and how it should function. To the extent that this has not been the case, then ...

[KMEN] We do not maintain at all that that is not the case! We are only saying that the union lives on appropriations and not on its own resources.

[Valek] Good, then let us widen our focus to cover the entire affair. Yet it concerns not only the literary fund, but other institutions: publishing houses, magazines...Do you believe that in current circumstances the union could survive on these means?! That it could acquire funds adequate to carry on expanded activity? Again we

come to the proposed transition into the National Front. I think that the unions would gain nothing economically or politically by this. Absolute independence of art in society is unthinkable and does not exist anywhere in the world.

[KMEN] You are a Slovak poet currently living principally in Prague. How do you view the penetration of and mutual influencing by both of our national cultures on each other, principally in literature?

[Valek] It is not particularly striking, even though certain interactions exist here—principally in poetry. Interactions among artists and among their works. Obviously, as long as we present something to the outside as Czechoslovak literature when there is no such thing, then we are engaged in a merely formal activity. Thus I would not want to fix attention on the external aspect of the affair. The problem is more subtle and of such a character that nothing can be achieved voluntarily. For both national literatures there is interest only in what stimulates them. And that is what every national literature decides for itself. It is not a problem to organize some manifestation of Czechoslovak literary solidarity, but I do not think that this would resolve anything.

[KMEN] Let us broaden the question a little: you said that in its relation toward the world our literature forms one Czechoslovak whole. Could you somehow elaborate your conception of Czechoslovak literature? Is it a combination of certain features or do you mean regionally?

[Valek] I do not mean it regionally at all. It is a question of Czech and Slovak literature and it is up to the specialists to extract some specific features (I mean common features) in addition to those discriminating ones resulting from the independent character of both literatures. I think there are common features but I would not like to delve into this problem more deeply, as it lies outside the area of my interests. Yet there does exist a not inconsiderable common tradition, even a history of Czech and Slovak literature and their mutual contacts and influences, and one way or another both of these literatures can approach the outside world as independent, but, in a broader context, as the literature of a particular state.

[KMEN] Do you perceive that this overall picture includes artists who live and publish abroad or in "internal emigration."

[Valek] We often speak of three literatures; I think that there is only one literature and that this condition is temporary; that it concerns a particular defect in social communication which must be removed.

[KMEN] What do you include under the rubric "socialist literature" and what is its image in readers' consciousness and criticism?

[Valek] The concept of socialist literature is broad and variously interpreted. In the conception of readers a literature thus conceived almost does not exist. There is

literature that is good and bad, successful and less successful and, outside the awareness of readers, unsuccessful. I do not doubt that explaining the term socialist literature would give theoreticians plenty of work. For many years we imagined that this category covered only literature of socialist realism. But all that while good and worthwhile, books came forth which had little in common with socialist realism. Do they belong to socialist literature or not? In my opinion, socialist literature is that which speaks to contemporary man in our society and it makes no difference what theme it concerns. The theme is merely a means for the writer to address readers, the people among whom he lives.

[KMEN] And how should criticism and literary theory address the works of those authors of the prewar period who did not belong to the socialist wing of culture?

[Valek] I think that we carried over most of what was substantial from the prewar cultural heritage and that there is continuity. I do not contest, however, that there have been cases where this does not exist, where authors and works have been suppressed, though they were good authors and good books! Today however there should no longer be any obstacles to the return of these works into the literature and the awareness of readers. Of course, it can be shown that many books of a given period "die out." This is normal and we must reconcile ourselves to it.

[KMEN] Several times today we have spoken of our literature in connection with the outside world. The method of its presentation is also involved here. Do you regard this as sufficient and satisfactory?

[Valek] Perhaps I am putting it too bluntly, but nothing else comes to mind. It is absolutely unsatisfactory! It is not purposeful; it is without program and without perspective. Obviously I do not think that if things change then the position of our literature in the world will also change quickly. It is an ongoing process. But in many cases we expend the means for the propagation and presentation of Czechoslovak literature entirely fruitlessly. I will present one example: we issue propaganda magazines which do not have any effect. It does not work with those abroad who do not look on them as serious and credible, but regard them as not thoughtful, as propaganda.

[KMEN] Does this include also the work of both agencies Dilia and Lita...

[Valek] In recent years they have done considerable work, but often it was work, which they registered and realized but did not instigate! Agencies must function in consonance with overall literary interests. Obviously they perform literary negotiating and surely it would be unreasonable not to negotiate the issuance of such a work, which is regarded as less worthy in our literatures but in which there is interest abroad. But the accent of their work should be on propagating works which are really valuable. In this there are gaps in certain areas and a condition which could be called a vacuum.

[KMEN] International contacts form an essential component of the presentation of our literature abroad. Today more than one of us has probably asked the question how relations will evolve between our writers union and writers organizations of other socialist states, principally the PPR, HPR, and USSR?

[Valek] That is a big issue today. It will be essential to analyze the situation very thoroughly in individual countries and establish cooperation on real issues of these countries' literature and ours and select those forms of cooperation which will in the given situation be workable and profitable. That is the work which awaits us.

[KMEN] In Poland today there practically exist two writers unions. How will you proceed in such a situation?

[Valek] It is necessary to approach reality realistically. It will be necessary to cooperate with both unions, and if from one cause or another it proves unfruitful or impossible, then we will cooperate directly with authors in whom our national literature has an interest.

[KMEN] Should our international relations remain on the level of previous official relations principally with partner institutions, or will it be necessary to reinforce personal contacts among authors, translators, publishers, and the like—for example, by means of long-term affiliations?

[Valek] International relations—and now we are speaking of global relations, not only among socialist countries—will have to encompass not only relations with institutions, which means with writers union, with publishing houses and individuals. Trade in literary values has always depended on good personal contacts, recognition of authors, an understanding of literature in the overall cultural social context. All this we will support far more significantly than thus far. I do not doubt that one of the forms could be the mentioned affiliations.

[KMEN] And what about such activities as the Days of Culture....?

[Valek] I consider it in substantial measure an anachronism. They have their justification in a certain specific situation, but they cannot remain the main dominant form. It is too expensive and ineffective: cooperation conveys greater utility; it is less spectacular, but directed toward long-term results. It can be an exchange of publishers, workers in cultural institutions, even of joint authors working groups, but there can be additional forms, which we must find and uncover. We should not place limits on fantasy and invention; the results will be decisive.

Readers Protest Inept Political Comparisons

90EC0051A Prague RUDE PRAVO in Czech
7 Oct 89 p 3

[Letters to the Editor: "Compare the Comparable"]

[Text] I decided to write to you after I read a reader's contribution "The Credo of My Life" (RUDE PRAVO 26 Sep). The reader, certainly with good intentions,

mentions the hard times during the first republic and points out the contrast with the socialist society. I agree with him up to this point, but I was taken aback by his final comparison of the "uncomparable".

In connection with the activities of various illegal groups, the author writes about their effort to return to the pre-Munich days, and obviously intentionally fails to note the advances which took place during the same length of time in the capitalist system. I do not belong, actually, to any of these groups, but I doubt that these compatriots of ours want, same as in the western part of Europe, to buy a car, to pay off a house out of a half-yearly pay in two or three years, and to take a vacation abroad for the price of a month's salary. We can obviously go on with this list.

And how is it here with these described "material possessions"? For me, and only with exceptions for the greatest majority of my acquaintances, these "capitalist commonplaces" mean an indebtedness in the form of high-interest loans for the duration of a quarter, half, or even the entire life.

Let us not, then, compare socialism with the capitalism of the first republic, but with today's capitalism, because that is the only thing that can be compared. I do not happen to be a member of the CZCP but I believe that my contribution will be published, same as the letter of comrade Robert Brezina from Olomouc.

(Jaroslav Berger, Pardubice)

I cannot help but comment on the letter of reader R. Brezina from Olomouc. The basic, and, to my mind (even though I do not remember the pre-Munich republic), the correct idea of the author could have been expressed succinctly and would have been clear even to the younger readers—that is, the desire of the absolute majority of our citizens for a contented build up of our socialist state with the aim of improving the standard of living of our people. However, because the author came to the conclusion that those who want to "return to our first republic" are interested in poverty, hunger, and unemployment of the pre-Munich republic, the article could give the opposite impression to many young people. After all, did not countries which after 1948 in contrast to us followed the capitalist road achieve at a minimum an identical improvement in their standard of living as we did? People increasingly travel abroad and they are not blind.

Let us stop comparing that which is uncomparable, let us not put into the mouths of the critics of our order even more demagogic thoughts than they already have. We oppose them by concrete, comparable indicators.

(Jitka Slamova, Prague 4-Michle)

I read Robert Brezina's article with interest and inner emotion. I experienced in my youth, also under capitalism, a similar kind of life he must have led. And as a pre-February member of the Party I rejoiced at the

growth of the living standard, I admired our successes in building modern industry and socialist agriculture.

Nevertheless, the article gave me pause. Is such an approach, such a way of viewing things, the best? Will it help us on our future road to development? Is it convincing also to our children and grandchildren?

Should we not ask ourselves also other questions, search for other norms of evaluating? For example: if today, compared to a number of other socialist countries, we have maintained a relatively high standard of living, is it the maximum that we are capable of achieving? Did we utilize all the potential opportunities that socialism offered us? Why is it that we are lagging behind developed countries in the growth of labor productivity, in utilizing science and technology in manufacturing processes, in health care, as well as, unfortunately, in the level of social security?

Are we, who are now in our sixties and seventies, objective judges in evaluating our successes? Will the life we have led and our experiences be a sufficient argument for the future life of our grandchildren? Experience shows that it will not. The young ones compare, evaluate, and criticize. Very often with good reason.

While we are still strong enough, let us try for reform and support those who embrace reform.

(Eng Josef Mikulec, Prague 6)

Sharp Decrease in Number of Villages

90EC0038A Prague PRACE in Czech 10 Oct 89 p 3

[Editorial by Kazimir Janoska: "My Village..."]

[Text] Try to give an estimate of how many villages there were in the CSR in 1955 and how many there are now. Do not waste your effort; we have available exact statistics that state with its inherent inexorability that 34 years ago there were 10,816 villages in the historic Czech and Moravian lands, whereas as of 1 January 1989 there were only 4,112. Are you asking what caused this enormous "leap" downward? We have an answer on hand for that too, even though it is somewhat lengthy. So first of all, the decrease in the number of villages has been underwritten by the process of integrating and merging them with larger villages and towns, then another group of them "vanished" under the waters of newly built dams, or were abolished because of mining or other economic activities.

Of the number of problems which the above mentioned facts brought to concrete life, let us pause to consider at least for a while the two most important ones. For one thing, tens of thousands of people had to move to new homes, get used to new surroundings and new "neighbors", then there was the constant search for optimal models for the functioning and work of the agencies of people's power—national committees, which would respond fully to the changing situation in a given district. As most people know, the result of that search was the

establishment of the first central villages on the basis of the amended law on national committees on 1 July 1982.

So much for a brief look into history from which it is, of course, evident that the process of reducing the number of villages is not yet finished by any means. On the contrary, it is expected to last practically beyond the time horizon of the year 2000. That makes all the more important the question of whether the local national committees in the central villages actually play the role of "local governments" that are by and large able to guarantee the development of the given region to meet the legitimate needs and requirements of its populace. The answer is relatively brief—they are, as can be seen from the data of the CSR Ministry of the Interior and Environment, even though a number of reservations can be enumerated, whose common denominator are the truly objective reasons. All in all, it is enough to state the fact that even though the absolute majority of the central villages have their concept of development worked out, many local national committees are not able to realize them on their own. Lacking are financial means, an economic base, and above all an effective authority to push through the set goals. Of course, it is also true that not all the local national committees used their authority as the law presupposed. As an example, the possibility to order a pooling of resources, which basically has not been put to use because the local national committees gave priority to having a conflict-free relationship with the enterprises, factories, and cooperatives active in their district. An insignificant improvement in the amenities and work opportunities in the villages, together with little possibility of a full social life were the reasons why in some central villages the decline in the number of their populace could not be halted....

That makes it all the more important to give attention at this time to a thorough implementation of the document of the CPCZ Central Committee of August last year, on the role of the national committees in the development of social democracy and the restructuring of the economic mechanism. Particularly crucial in this respect is the transfer of more functions to the local national committees in the central villages, who have, figuratively speaking, in their hands the future destiny of tens of thousands of inhabitants of our country. It will be up to them today as well as tomorrow whether or not people in small villages will covet life in the city, while at the same time there is no purpose at all in having cities continue to grow enormously while villages and small rural communities disappear from the map of our country.

GERMAN DEMOCRATIC REPUBLIC

Health Minister Interviewed on National Health Policy

90EG0010A East Berlin BERLINER ZEITUNG in German 25 Sep 89 p 3

[Interview with Prof Dr Ulrich Schneidewind by Claudia Richter: "A Topic For Everyone"; date and place not given; first paragraph is BERLINER ZEITUNG [BZ] introduction]

[Text] On Wednesday the GDR's National Conference on Health begins, to which the Party's Central Committee, the Council of Ministers, and the Federal Chairman of the Federation of German Health Officials have been invited. We took this opportunity to talk to the Secretary of State for the Ministry of Health, Professor Dr Ulrich Schneidewind.

BZ: The national health conference deals with the next goals of our health policies. What are they?

Prof Schneidewind: At issue primarily are two chief directions we must take. One is in extending the scope of basic medical care, particularly in large cities and industrial areas with high population density and a large city at their core to provide good general medical care. Secondly, we need to provide more extensive prophylactic health care to all segments of our population. I include fostering working conditions and living conditions that promote good health in this latter category, and suitable leisure time activities.

In order to preserve and promote good health, knowledge is needed above all else, but so is a willingness to change one's modes of behavior. This is a task that must be shared by physicians, dieticians, journalists, indeed, by everyone who plays an influential role in social development. For this reason, those participating at our conference are not exclusively physicians. There are also representatives from the spheres of industry, agriculture, trade and commerce, education, culture, and all types of social organizations.

Excessive Nutritional Energy

BZ: How healthy, or unhealthy is our population in terms of its lifestyle?

Prof Schneidewind: Above all else, cardiovascular diseases have a negative impact on our population, as do upper respiratory ailments, disorders of the skeletal-muscular system, and metabolic disorders. These are diseases, in other words, that are closely associated with lifestyle, and more specifically, with nutrition. For years, for example, we have had a continual increase in meat consumption, which has currently reached a level of 100 kg per capita per annum. A similar trend applies to sugar consumption, which is reflected in obesity and other adverse effects on health. We view the increasing consumption of potatoes and grain products as a favorable development, due to their nutritive value, the vitamins, and other essential substances they contain; but in this regard we must insert the proviso that we favor these things only when enough fiber is present, as in breads with a high whole-grain content. As far as vegetable oils are concerned, we are far below what is considered the international norm and what is considered good for health. All in all, we consume considerably too much nutritive energy, particularly with regard to fats and carbohydrates.

Many cardiovascular diseases, high blood pressure, diabetes, and not just a few digestive disorders could be

beneficially affected by a suitable diet, or in some cases, even prevented. For this reason, all efforts aimed at making low-calorie foodstuffs, and more fruits, and vegetables available, are necessary.

Decline in Occupational Diseases

BZ: One important area of health protection resides in the workplace. What particular areas of stress are here?

Prof Schneidewind: Our occupational health authorities, which were established in the first days of the GDR, are quite capable. The 621,500 (East) Berlin workers, for example, are being cared for at the present time in 14 plant-based polyclinics, 24 plant-based out-patient facilities, 139 physician-staffed health-care offices, and 17 nurse-staffed health-care offices, and not just in case of actual illness; prophylactic care is also provided at these facilities. Based on legally required criteria, more than 1.3 million workers are examined annually in the GDR to determine the state of their health and their fitness for the jobs they perform. Workers who are exposed to health risks, or who work under particularly arduous conditions, are placed under special observation. The clear decline in occupational diseases is an expression of the efficiency of the in-plant physicians.

Of course, in the area of occupational health, we are faced with new tasks. One area of concern is the qualifications of those providing care in the areas of medical advice, occupational medicine and advice and inspection. Included in these areas is the question of timely examination of new technologies with regard to potential hazards to the workers. Secondly, since 1 January 1989, new examination programs that are in keeping with the current status of technical knowledge have become available, and these must be implemented as rapidly as possible. A third area of concern is goal-specific involvement in trying to win workers over to a healthy way of life.

BZ: More and more young people in our country are taking up cigarettes at a very early age. What can be done to win them over to a healthier lifestyle?

Prof Schneidewind: We are against smoking and alcohol abuse. Our scientists can document the fact that between 25,000 and 30,000 people in the GDR annually die prematurely as a result of smoking. For this reason, we enthusiastically support bans on smoking, particularly where children gather, namely in youth hostels, youth clubs, restaurants, or portions of restaurants. It is also encouraging that there already are discotheques in which there is no smoking, where no hard liquor is served, and where the mood is nevertheless a positive one.

Those who work within our public health establishment support the education of our young children toward a healthy way of life through legally established tests administered from early childhood onward. Close cooperation exists with the educational authorities. That continues within the context of ongoing programs at the occupational training level. We want to make sure that

we have taken advantage of every opportunity, every chance for meetings, discussion cycles, and fora to convince the young people especially to treat their own health in a positive way, and to promote the health of others. In this regard, I would like to point out our offerings in a wide variety of sporting activities that can be pursued without large sporting facilities.

General Medicine Does Not Mean Simple Medicine

BZ: A basic concern of outpatient medical care is a stable and reliable relationship between physician and patient. What is the role of general medicine in this regard?

Prof Schneidewind: In 95 out of 100 cases it is a specialist in general medicine who is the first person the majority of citizens refer to in health-related and socially relevant matters. As a result of his closeness to the people, the general practitioner plays a key role in medical care. He is the local health policymaker, and often, he acts as the peoples' representative, in which capacity he often has definite input in local conditions that relate to health care. He is close to the people, knows the conditions under which they work and live, and their family situations. As a family doctor, the general practitioner treats nearly 70 percent of all his patients' health disorders by himself; in circa 20 percent of his cases, he requires the advice of other specialists, and in only 10 percent of his cases, must he refer his patient totally to a specialist. In this regard, it becomes apparent that general medicine is not simple medicine, but a type of medicine that requires a high degree of knowledge, skill, experience, and willingness to serve on the part of the physician. The way in which the local authorities, the community nurses, the German Red Cross workers, and the Peoples' Solidarity support him is of critical importance. The National Conference on Health should also provide him with support.

HUNGARY

U.S. Ambassador's Public Activism Examined

90EC0101A Szekszard TOLNA MEGYEI NEPUJSAG
in Hungarian 2 Sep 89 p 4

[Article by Laszlo Gazdag: "The Palmer Phenomenon—(If Nations Do Not Know Each Other, They Create Illusions of Each Other)"]

[Text] On 28 August, at the Hungarian Socialist Workers Party [MSZMP] Tolna County Committee headquarters, and in the company of First Secretary Dr Gyorgy Janosi, I had the good fortune to converse with U.S. Ambassador Mark Palmer, and with Embassy First Secretary Thomas Lynch. The conversation was substantive and provided a delightful experience. Following the conversation and a modest dinner in which cold cuts were served, I accompanied the guests to the editorial offices of DATUM, and to the medical club. I would like to report my impressions.

Mr Palmer is not a diplomat from the traditional mold. He does not seclude himself in his office in Budapest, and does not pay careful attention to the fact that he is a diplomat; consequently he expresses his views on various matters. (This is why he is occasionally accused of interfering with the country's internal affairs.)

He is a refined intellectual interested in virtually everything. He listens attentively to every sentence uttered by his debating partner, he is aware of the fame of Szekszard wines, and he states firmly that it is the finest wine he has ever drunk in his life. That was about a bottle of Szekszard wine received as a gift, but unfortunately he did not know its name because it was an experimental product without a name. How nice it would be to know which Szekszard winery's product it was—the kind of free advertising that winery could receive.

He is inclined to discuss political, economic, and even philosophical issues. The most peculiar thing—and perhaps this should not be so surprising—is the number of common denominators one finds between an American diplomat and two MSZMP county functionaries. But not too long ago he had a similar experience in the Soviet Union where he spent a week and met a large number of notables, among them Gorbachev's close advisers. He was amazed to find how close their views were with regard to the most important affairs of the world.

We do not find antagonistic differences of opinion once we discount the anticommunist rhetoric (because we heard such things), and after replacing such rhetoric with anti-Stalinism. Mr Palmer also utilized the concept of stalinism in talking about the fact that stalinism is being transcended daily in three socialist countries: Poland, Hungary, and the Soviet Union.

Regarding foreign policy issues, the ambassador was not overly enthusiastic about Hungarian neutrality endeavors that may be seen in some circles these days. In his view Hungary should support Eastern European reform endeavors, including Mikhael Gorbachev's efforts, while staying within this region. He was not at all happy about the difficulties experienced by the Soviet Union, and would not regard the secession of member republics from the Soviet Union as positive developments. He cautions against any step that might weaken Gorbachev's leadership position. In general, he proved to be more understanding with regard to Soviet security interests than many soapbox orators in Hungary.

Mr Palmer made some critical remarks concerning the odd aspects of democracy in his country. In the United States a person may become a politician only if he has money, or if he is willing to go around begging in moneyed circles. This fact serves to narrow down the political selection base rather significantly. He also said that it was for this reason that he would not become an American politician.

He regards the present processes in Hungary as having historical significance; he sought his appointment to Hungary expressly for this reason. In response to his

questions, we told him that prior to our election we engaged in a regular campaign in the course of which we openly stated to MSZMP members that we wanted democracy based on a genuine multiparty system, and that we reject the idea of a single-party system. Only thereafter were we elected. Mr Palmer expressed his recognition by nodding his head.

There are 12 parties in the United States, but in reality only two parties decide everything. This is not beneficial, in his view. Here we have an American politician who does not regard his country as the best in everything. He also stated that the United States must change this system, and that he could relate much better to Western European multiparty democracies.

The extent to which our judgment was the same concerning state ownership, and economic and political systems based on state ownership was interesting. The difference between us was—and this is understandable—that Mr Palmer would like to follow a path of rendering private property as social property, while we would like to transform state property into social property. But a clarification of the various concepts instantly moved the two viewpoints closer to each other: After all, we regard the form of stock ownership as an appropriate means for rendering state property as social property, and we think in terms of a multitude of ownership forms. I mentioned to Mr Palmer that it would be beneficial if in the West they would not confuse marxism and stalinism, because in Marx' ideology the theory that states will wither away occupies a central place, and this also applies to the state's economic activities. Accordingly, stalinism represents an expressly anti-Marxist practice. Having heard this reasoning I noticed an expression of spontaneous surprise on Mr Ambassador's face.

I also added that in the West one can easily observe that capital, production forces and power are placed under societal (not state!) control. He acknowledged this fact. I mentioned the general nature of stock ownership as an example, and the spread of stock ownership within broad strata of society. Speaking of the relativity of concepts, Comrade Janosi mentioned that we must still clarify what socialism means.

One can fully agree with Mr Palmer's view which holds that small and medium-sized enterprises are the engines of development in this day and age, and that accordingly resources must be channeled to this sphere, and not to large enterprises. I mentioned that at present American firms are taking part with operating capital in "developing" the foundry industry in Borsod. I said that the Americans should continue this practice only if they want to accomplish something adverse, if they want to contribute to the preservation of an obsolete economic mechanism, to the survival of the impotent large enterprise sphere. Why don't Americans support Hungarian small and medium-sized enterprises with their capital?

A real debate was sparked with regard to the direction in which Hungarian agriculture should be developed. Quite

naturally, Mr Palmer supported the idea of a farmers' economy, while we felt that retention of large-scale agricultural plants, and the transformation of large plants to real, voluntary cooperation, would be appropriate. We also discussed the achievements of Hungarian agriculture, as well as the idea that indeed a farmers' economy could also have an existential right in Hungary.

These days many people raise the question of whether Mr Palmer's consistent appearance in public life constitutes interference in the internal affairs of Hungary. Well, Mr Palmer does not agitate against our system of alliances or against the Soviet Union. Moreover, it is he who advises moderation in this regard. Similarly, he does not agitate in support of any party, or against the MSZMP. It is characteristic that he paid a visit to the editorial offices of DATUM, but granted an interview to the MSZMP's county newspaper. Mutual dependence has become so great that quite naturally, by now, everyone in the world is interfering in everyone else's internal affairs. The other question is could we perceive Mr Palmer as an "imperialist," "capitalist" politician? I believe that these adjectives have lost their meaning. Mark Palmer is not protecting some sort of "imperialist," "capitalist" interests. We no longer live in the age of the cold war, or in the age of the Korean or Vietnam wars. This bow-tied American diplomat sits with us across the table. He observes the rather obvious, real achievements and values of Western civilization, such as human rights, individual freedom, tolerance, etc. At the same time, could he talk here in Hungary today about "communist dictatorship," about being a "Soviet satellite"—things that just a few years ago were accepted elements of rhetoric?

Through his presence in public life, Mark Palmer contributes to the mutual destruction of phantom images we have created of each other, to admit that the world can no longer be viewed exclusively through the spectacles of the conflict between capitalism and communism (socialism), and that by now the main issue pertains to the contrast between freedom and dictatorship which is indifferent insofar as these systems are concerned. The West has already overcome its cancer called fascism (not counting certain peripheral remnants), and now it is our turn to eradicate the poison of stalinism.

This is in the mutual interest of the East and the West.

Outgoing Hungarian Ambassador to Paris Interviewed

25000495C Budapest NEPSZABADSAG in Hungarian
7 Oct 89 p 17

[Interview with Rezso Palotas, former Hungarian ambassador to Paris, by Laszlo Rozsa, in Paris in October 1989: "They No Longer Confuse Budapest With Bucharest"]

[Text] After several years of service, Rezso Palotas, our ambassador to Paris, has returned to Budapest. Our reporter in Paris talked to him about his 5-year experience and about French-Hungarian relations.

[NEPSZABADSAG] After 5 years you are leaving your post in Paris. How were these 5 years in terms of French-Hungarian relations?

[Palotas] It was a fortunate period. It began with Janos Kadar's visit. He was received with high regard. Mutual visits at the ministerial level became regular phenomena, and a head of state, Karoly Grosz, also paid a visit.

As far as interest in Hungary manifested in terms of human relations is concerned, we could say, even if only in anecdotal terms, that in earlier days one or another partner in a conversation would occasionally confuse Budapest with Bucharest. Such instances occurred because Hungary was negligible from the standpoint of average French interest. No such thing exists now. They are paying attention to us, they are inquiring about us, and the press writes much about us and presents a positive picture. Compared to our country's size and significance, even the cultural field has acquired a better position. Twenty-five Hungarian books have been translated into, and published in French in recent years. Development of economic relations has always progressed at a slow pace. But during the first half of this year we experienced a 20-percent increase in merchandise trade. Even some worldwide organizations like Thomson, Philips, Alcatel, and Matra participate in Hungarian investments or inquire about business by way of joint ventures. A new feature has emerged; now even medium-sized and small firms are searching for Hungarian partners. A mutual cause and effect relationship has come about between the way the Hungarian political situation is evolving and the interest manifested by the press.

[NEPSZABADSAG] Changes in Hungary make great impressions worldwide. How does a Hungarian diplomat deal with these changes?

[Palotas] These changes affect not only politicians, but also simple people. My totally apolitical barber asked me to explain what was taking place in Hungary. Politicians see the situation in more complicated terms, of course. Many French personalities are concerned that changes are taking place at too fast a pace, and are not only worried about the fact that it is impossible to follow the changes, they also envision a threat that the situation will turn into anarchy. For example, one of these personalities noted that in France it would be inconceivable for a group to remove street signs on its own, next to a prefecture. Everyone in France roots for Hungarian reform, of course, each person's view based on his own vantage point. Paradoxically, however, moderates would prefer not to see the party collapse, and not to permit the evolution of a situation like the one in Poland where the opposition must assume the unpopular tasks and risks of attempting to accomplish stabilization.

[NEPSZABADSAG] Does Hungary clearly convey the idea of what it wants to accomplish, and how it wants to accomplish it?

[Palotas] This is an extremely difficult matter. The following is characteristic of the current situation: At the airport I asked the leader of a Hungarian delegation what is new in Hungary. He replied by saying, "I do not know, because I left home 3 hours ago." The way he answered may sound funny, but the unclear and uncertain nature of Hungarian political conditions does not make a diplomat's work any easier. Incidentally, this confusion also has its positive aspects. A great number of French journalists are sent to Hungary to obtain firsthand information. I believe that in France the agreements reached at the roundtable negotiations made great impressions, even if they were not signed by all concerned parties. This fact is interpreted in several different ways, of course, but politicians are not expecting to see a 180-degree turnaround. Their starting point is that the Hungarian Socialist Workers Party [MSZMP] has acquired such practice in governing, and has attached to it an economic and political apparatus which cannot be abandoned all at once. To be sure, these views also hold that the country can no longer be guided in the old ways.

[NEPSZABADSAG] Last 7 July, industrial nations met at a summit meeting in Paris. A separate agreement was reached there concerning economic assistance for Poland and Hungary. How much of the effects of this decision can be felt in Paris?

[Palotas] They are aware of the fact that Hungary does not need further financial assistance, and that instead it needs the active participation of the West in modernizing our economy and in building our market economy. This kind of assistance does not work on the basis of central directives, however. In France one cannot direct enterprises and capital, nor can one tell them to invest in Hungary. Nevertheless interest has been spawned; the number of those who want to do business or to invest has increased. But receptiveness in Hungary and the speed with which we are responding are still unsatisfactory. A western entrepreneur faces extremely large obstacles if he wants to invest capital.

[NEPSZABADSAG] What opportunity exists to open a door and become associated with West European economic and political institutions?

[Palotas] Let's not chase rainbows. One may rule out the opening of any door prior to 1992, the year of West European integration. I envision chances and possibilities for the relaxation of certain restrictions. The Austrians, for example, are in a much better position to join the European Community, but they were also told that no serious negotiations concerning joining the Community could take place prior to the date of integration. The other matter is that I am no advocate of aiming for everything all at once. The Yugoslavs have tried to do this already, and the results are highly questionable. We should concentrate on a few goals that can be achieved instead. For example, very appropriately we joined the European Parliament with an observer status. It turned out, however, that our representatives do not speak foreign languages, and that they are

able to work only through interpreters. This is a complicated and costly matter. There is much talk nowadays in Hungary about neutrality. In my experience, however, French politicians with whom I have discussed this matter caution against placing this issue on the agenda. The balance that evolved in the aftermath of World War II is so sensitive and fragile that any shift in weight could upset the balance. This kind of situation may produce unpredictable consequences. I believe that at this time no one wants us to become neutral.

[NEPSZABADSAG] Are you leaving many personal friends behind?

[Palotas] Many politicians and many other people invited me to their homes for practical purposes, but also as a matter of personal friendship. I hope that quite a few of these will prove to be lasting friendships.

Cadre Selection Policies Discussed

25000504A Budapest NEPSZABADSAG in Hungarian
18 Oct 89 p 7

[Interview with Ministry of the Interior public service main division chief Dr Klara Szocs by Lajos Bodnar in Budapest: "Is the Concept of Personal Integrity Beyond Reproach? Examination of a Law Beyond Reproach"; date of interview not given]

[Text] As part of the political consolidation in late 1957, a decree with the force of law, yet with an incomprehensible legal content, laid down the principles of cadre selection, the criteria for filling important and confidential positions. Among other matters the decree included the following: It is in the public interest that important and confidential positions in the Hungarian People's Republic be filled by persons having no criminal record, and whose personal integrity is beyond reproach. But the government resolution published, No 3120/1971, failed to provide details concerning this broad political framework, moreover it discreetly avoided defining the term "irreproachable," and did not detail the types of positions involved. Loyalty to the Hungarian People's Republic and political reliability were promoted to become the "legal" criteria for filling important and confidential posts.

Irreproachableness as an institution exists to this date; in practice it means the same as political reliability. Thus far, however only the person who signed the certificate of irreproachableness (minister, head of an organ of national scope, Budapest or county council chairman) had access to review decisions based on the top secret "3000 series" legal provisions [not further identified. FBIS], and had insight into the witchcraft of personnel policies. The subject who would be receiving the certificate, or the person from whom it was withdrawn or revoked had no access to these records. In reality the Hungarian legal system has never fully incorporated the rules governing these security checks, which remind one of justice done by a *cadi*. Although from a formal standpoint these provisions are based on clear legal sources, they have been attacked and

criticized ever since they came into being. One could say that the scrutiny of these "irreproachable" legal provisions has continued ever since.

A Thing of the Past?

We inquired at the Ministry of the Interior: How long do they want to keep alive the legal requisites of a bygone era ruled by cadre policies?

[NEPSZABADSAG] The process that precedes the granting of a certificate of irreproachableness is alien to civilized legal systems. A government heading in the direction of constitutional statehood can hardly brag about it. For openers I must ask you this question: Are we permitted to discuss this issue at all? After all, to this date the process is circumscribed by provisions requiring secrecy....

[Szocs] There is nothing to prevent us from discussing this matter by now, I believe. This is even more so because in practice, the legal institution of irreproachableness belongs to the past. Only an act of law is required to actually put it on the dustpile of history.

I should note however, that we do need laws to protect state security. It is in the community's interest that important offices are occupied by persons who from the standpoint of their positions also provide a personal guarantee. It is this way all over the world, except that in the majority of countries the related legal provisions are public. Our plans call for the same.

[NEPSZABADSAG] But these are plans only. Several laws in force today stipulate certificate of irreproachableness as a condition of employment. And the Interior Ministry process continues to be closed: A job applicant does not have access to his own personnel files, nor an opportunity to dispute the contents of that record.

[Szocs] The law provides that this certificate must be obtained for certain positions, and in general, for employment abroad. The volume of requests for such information fluctuates between 9,000 and 12,000 per year. A proposal to be submitted to the Council of Ministers by the Ministers of Interior and Justice will clearly render the concept and the legal institution of irreproachableness a thing of the past.

[NEPSZABADSAG] How could the certification of irreproachableness become a means of political abuse in certain cases?

[Szocs] I am not aware of specific cases of abuse. This process provided an answer to the question of whether competent persons were aware of any aspect of the applicant's life that would cast doubt on his political reliability. On the other hand, the fact is that such statements were frequently requested in instances where there was no need whatsoever for such statements.

National Security Law Being Prepared

[NEPSZABADSAG] What will you say if someone comes to you tomorrow and requests data for the purposes of the verification of irreproachableness? Will the Interior Ministry produce the records in such cases, is the Ministry authorized to investigate the person in question?

[Szocs] They will not investigate, they will issue a statement based on available criminal records instead. The Ministry of the Interior is obligated to respond in such cases, based on legal provisions in force.

[NEPSZABADSAG] It is obvious that every state must have a concept and a process to implement its security policies. But is it possible to define such a concept in these days when an old political system is developing cracks before our eyes?

[Szocs] It is likely that the contents of the national security or state security law cannot be described during the period of transition so as to satisfy everyone. This law may also prescribe conditions for the filling of important and confidential positions. The issue appears to us in this form: What would cause greater harm, the legal void that would result from the abolition of the institution of irreproachableness, or the maintenance and continued enforcement of the obsolete legal provision. We profess that a greater interest is tied to rendering a bad law inoperative.

Party-Neutral Public Management

[NEPSZABADSAG] To this date the concept of irreproachableness was interpreted in the context of a single system of political criteria. This approach is not tenable in the framework of political pluralism.

[Szocs] I believe that the concept of irreproachableness did not have an exclusively political content, although it is beyond doubt that the political element dominated, particularly during the initial years. In my view, nonpartisan conditions must be established as soon as possible within the government administration, i.e. not only in the Ministry of the Interior. That is the only way in which government administration can function in the future.

Quite naturally, politics have never been removed from government administration, and this will remain the same also in the future. At the same time, one of the chief functions of our division is to develop proposed legal provisions, a legal concept which also provides institutional, or organizational guarantees for nonpartisanship, and at the same time fully satisfies the professional requirements. Not a single country can exist without a responsible state apparatus which is beyond reproach from the standpoints of both professional requirements and ethical conduct.

POLAND

POLITYKA Weekly News Roundup

90EP0016A Warsaw *POLITYKA* in Polish
No 36, 9 Sep 89 p 2

[Excerpts]

National News

[Passage omitted] M.F. Rakowski in an interview with a PAP journalist: "I support discussion of what needs to be changed in the party, but I do not think that it is time for a family fight, for intrigues, for searching for support from other political forces for one's own career in the PZPR, or for questioning the leadership of the party that one supported a month ago, etc. The crew of a ship with a hole in it should seal it up, for if they throw up their hands in frustration, the ship, and the crew with it, will sink. Now the party must, above all, cooperate in stabilizing the new political situation and structures of authority, and only then can it take care of its own evolution."

Włodzimierz Łożyski, spokesman for the president, in response to a question about the president's position on a proposal to move up elections to the local self-governments: "I do not think that the question of elections to the people's councils, in spite of everything, is the most important one for Poland. Instead, it is necessary to create conditions on the basis of existing and future legislation to promote active work by the current self-governments, to overcome the impasse in the operations of the representative bodies."

Individual Farmers' Solidarity adopted a resolution calling on farmers to end their protest and make their first and second payments as required by the rules. "Ending the strike in the current political situation on the part of the Temporary National Council is an expression of good will, trust and support for Premier Mazowiecki," the spokesman for the organization declared.

Premier T. Mazowiecki received the leadership of the OPZZ. Alfred Miodowicz, the chairman of the Confederation, declared after the meeting that his general impression is positive, "the talks were frank and calm, no one was resentful, no one pointed fingers or attacked anyone; may we always work together in this way. We want this government actually to be in office for a full term."

Leszek Miller, member of the Politburo and secretary of the Central Committee, in response to questions from readers of TRYBUNA LUDU: "We have listened with care to the declarations made by the premier on his position as regards personnel issues, including personnel that are members of the PZPR. The announcement that competence will be decisive is favorable to our personnel. The majority of them are competent, experienced, loyal employees. We will closely watch their fate and react to breaks with the announced policy." On the

candidates for the position of minister of foreign affairs: "We think that Tadeusz Olechowski is the best candidate. If expert qualifications are the criterion, then he is a specialist of the highest class, an excellent diplomat, well regarded both in the East and in the West. His strong, personal contacts with statesmen from practically all over the world have served and should continue to serve Poland."

In Łódź, there has been a change of first secretary of the Łódź PZPR Voivodship Committee. Following a critical letter from the party organization at the Polimerino plant [passage omitted] on the subject of market goods in the city and the economic regression, Józef Niewiadomski, the first secretary, submitted his resignation, which was accepted with two votes against and seven abstentions. Adam Walczak, previously the economics secretary, was elected the new leader of the organization (42 votes of the 76 members of the committee present; the total committee membership is 103). At present, Łódź does not have a mayor, and A. Walczak was the strongest PZPR candidate for the position. Consultations concerning new candidates are continuing.

Jerzy Urban during the ceremonies honoring the employees of radio and television: "Immediately after the formation of the new government I expected to be dismissed from the position of president. I expect it all the more since some current symptoms of 'pluralism' indicate overly zealous efforts with which I wish to have nothing to do. I assume that changes in the radio and television point toward cooperation, joint management, the right to a variety of views and tolerance. If practice proves out of accord with the announcements and there is any threat of a counterverification and harassment, then the majority of the employees of radio and television is neither defenseless nor dependent on negotiations at high levels."

The Supreme Court after examining the extraordinary appeal by the general prosecutor of the People's Republic of Poland changed the sentences and acquitted Stanisław Mierzwa, Karol Buczek, Mieczysław Kabat, Karol Starmach, and Jerzy Kuniec, activists of the Polish Peasant Party sentenced in 1947. [passage omitted]

Average food prices, ZYCIE GOSPODARCZE reports, during the first 20 days of August increased in comparison with the same period of July by about 89 percent.

Jan Nowak-Jeziorański, former head of the Polish section of Radio Free Europe, courier for the London government during the war, visited Poland. He met with Tadeusz Mazowiecki and Lech Wałęsa, among others. [passage omitted]

On the Left

Yegor Ligachev in an interview for Soviet television: "There are forces in the Soviet Union that see perestroika as the washing away of socialism and a way of achieving ambitious goals." J. Zhukov criticized Russian-language broadcasts of the BBC, Voice of America,

and Deutsche Welle in PRAVDA: "Aggressive arguments that the Baltic republics secede from the USSR are appearing with increasing frequency. There are forces desiring that the efforts of the Baltic separatists begin a revision of the existing boundaries in Europe." [passage omitted]

An official communique from the CTK: "The unilateral Hungarian decision on the hydroelectric plant on the Danube places a question mark over the government deadline for putting the first turbine of the hydroelectric plant in Gabczikovo (planned for July 1990) into operation."

The Union of Czechoslovak Writers regards the renewal of the operations of the Czech section of Pen Club as a positive sign, "assuming that the operations will be directed only toward constructive criticism," Miroslav Valek, the Slovak poet and chairman of the Union, declared.

Announcement of a compromise in Moldavia: the proposal calls for restoring the Latin alphabet in place of the Cyrillic one, but as a concession to the demands of the Russian-language populace, the provision that the Moldavian (or as others prefer, Romanian) language is the language for contacts between different ethnic groups will be withdrawn.

A. Yakovlev in response to a question whether the secret protocol of the pact of 23 August and "also other little known documents" will be published: "The USSR Ministry of Foreign Affairs intends to publish many documents. I am convinced that the truth, even the most difficult truth, is the proper road for the elimination of old silences and the way to avoid new ones." [passage omitted]

The weekly MOSKOVSKIYE NOVOSTI has printed an open letter by Prof Bestuzhev-Lada to A. Sucharev, USSR general prosecutor, demanding initiation of "criminal proceedings against Yosif Vissarionovich Dzhugashvili, a.k.a. Stalin, and his cohorts in conjunction with the crimes committed by them" as provided for in the various provisions of the criminal code.

In the Ukraine, a proposal for a new election law has encountered sharp criticism by a group of deputies from that republic to the USSR Supreme Soviet. They have presented their own, different proposal. [passage omitted]

The Marxist Platform for Unity organized a national conference in Hungary. About 400 individuals participated. As Robert Ribanszky said at the conference it is impossible to reach agreement with the current leadership of the MSZMP. He criticized the leadership and declared that it is participating in the escalation of unfavorable trends. "We find ourselves under the rule of liquidators." [passage omitted]

Opinions

[Passage omitted] Wladyslaw Sila-Nowicki, lawyer, president of the Temporary Main Board of the Labor Party:

(Interviewed by Krzysztof Blazejewski, ILUSTROWANY KURIER POLSKI 30 August 1989)

[Question] What did Czeslaw Kiszczak propose to you and the Labor Party when he was premier?

[Answer] In a nonbinding conversation he offered me and Prof Bender a place in his cabinet.

[Question] And Premier Mazowiecki?

[Answer] So far we have not talked since he took over the position. It is hard for me to determine how the situation will develop. I, however, am an optimist. The head of the current government and I know each other well and are on a first name basis.

Jerzy Hoffer, deputy of the Christian-Social Union:

(Interviewed by Maciej Wozny, ZIEMIA GORZOWSKA 1 September 1989)

[Answer] In all, there are 23 representatives of the Christian Social Union, Pax, and the Polish Social-Catholic Union. We do not constitute a force in numbers for which the larger clubs must contend, although in the future as regards votes we could become particularly important. That is all the more the case since each of the three organizations has its own independent deputy's club. To be sure, after the breakup of the previous coalition, for the first time in the history of the Sejm of the People's Republic of Poland there has been a meeting of all of the deputies of the Christian associations, at which we decided that on issues of crucial importance for the state, we will consult one another, but that does not mean that we are forming a joint club. Each of our organizations has its own goals, its own profile, and so we shall, I hope, remain. We do not want to resign from our own identity.

Franciszek Kiec, deputy president of the Temporary National Executive Committee of the Polish Peasant Party:

(Interviewed by Wojciech Taczanowski, DZIENNIK POLSKI 30 August 1989)

[Answer] At present, I want to officially emphasize that I signed an application declaring my membership in the Polish Peasant Party and in conjunction with this I consider myself the first Polish Peasant Party deputy in the Sejm. . . .

[Question] Do you expect an increase in membership in the Polish Peasant Party in the near future, including a shift of ZSL Sejm deputies to the ranks of the Polish Peasant Party?

[Answer] I do not want to discuss this possibility; it is still too early. Nevertheless, one senses a positive attitude among a significant number of ZSL deputies toward the initiative of renewing the activities of the Polish Peasant Party. I want to say that at the ceremony in the church and at meetings of activists when the Polish

Peasant Party was formed, there were many current deputies from the current ZSL Club, and many signed supporting declarations. But in the current situation, when the fate of the coalition is at stake, it would be unwise to create such divisions in the ZSL Club. I alone as a member of the Polish Peasant Party, I assume, will find a place there. [passage omitted]

Andrzej Kratiuk, assistant at the Main School of Planning and Statistics, a delegate to the 10th PZPR Congress:

(Interviewed by Ewa Kluczkowska, ITD 20-27 August 1989)

[Answer] The current mechanisms for financing political activities in Poland are not public, and the result is that the main political forces are not interested in a law on political parties that would change that reality. For political hygiene it is essential to adopt legal acts regulating this problem. It seems to me that the basic source should be, as it is in many countries of the world, the state budget that covers the expenses in proportion to its participation in the authorities or according to some other criteria. Other sources no less important should be gifts, members dues, and the parties' own economic operations. I also think that political activities cannot be financed from abroad.

The opinions and views cited in this section do not always agree with those of the editors.

Solidarity Sejm Representative Radoslaw Gawlik Profiled

90EP0015A Frankfurt/Main FRANKFURTER
RUNDSCHAU in German 4 Sep 89 p 7

[Article by Ute Frings: "And Then the Trouble of Finding a Bunk Bed—A Solidarity Deputy's Impatience With Revolution and His Everyday Worries"]

[Text] "If people don't see anything changing within the next 3 to 4 months, then we can pack up and go home," says Radoslaw Gawlik with determination. The young Solidarity deputy from Wroclav (former Breslau) ignores the doubts he sees in my puzzled look.

For the past 3 months, the 32-year-old engineer has been one of the 160 Solidarity deputies in the Sejm, the Polish parliament. "The Communists have invited us to help rule a desert," he says, "they have driven Poland into the ground." There is not enough housing, even basic food staples are in short supply, the country's water and air are polluted, wages are too low, and prices too high.

I visited Poland last in 1986, and nothing has changed since then, except that there are more houses with run-down facades, more poorly dressed people, more citizens lining up in front of empty stores, and more black-market racketeers. With wads of zloty in their fists, the foreign exchange Mafia crowds around the entrance of a bank. Today's exchange rate is 4,000 zloty on the

Deutsche mark, yesterday's was 2,500. The foreign currency trade is perfectly legal. A bank will exchange money at the same rate, but the lines are long. The Sejm deputy tells me his solution of how to end the business with inflation. He wants to curtail the black market in currency exchange by registering its dealers, putting up plenty of exchange places, and taxing profits. "Once these honorable racketeers are forced to pay a 50-percent tax on their daily income that runs into the millions, then society can profit as well."

Gawlik's income of 100,000 zloty a month is the same as a worker's. He contributes 10,000 to Solidarity, the rest is barely enough to cover the family's necessities. The state reimburses its deputies for no more than one free airplane ticket to Warsaw a week and a free double room in a hotel reserved for deputies.

Radek Gawlik insists that the "Polish economy" has to change within the next 4 months. He ignores objections that claim that it is impossible for significant change to take place in such a short time, because his entire political identity hinges on the premise "that nothing must go wrong."

Some 3 years ago when I researched the opposition group "Wolnosc i Pokoj" (Freedom and Peace) I met Gawlik for the first time. Already then, he was a driven professional revolutionary. Whoever wanted to meet him had to wait for hours in a house in Legnica where he lived with his wife Anka, his daughter Ola, and an old Russian grandmother. In the short breaks between lectures on ecological disasters that plagued the region, actions against environmentally unsound steel factories, sit-ins, or public burnings of draft cards, he told me of an ever increasing group called "WIP" [Freedom and Peace Movement] whose spontaneous and imaginative tactics managed to irritate even a few old firebrands from Solidarity. He also told of the times when his house was searched, when he was forbidden to teach mathematics and physics, and when he joined clandestine meetings of other enemies of the socialist republic. Only last year he served a 2-month prison sentence because he had accumulated several fines in connection with his fight for democracy, the environment, and the right to refuse military service.

What has changed since then? He still wears faded, old linen trousers and a nondescript shirt. But as a deputy, he sometimes has to put on "communist apparel"—Radek's term for dark suits. A click in the telephone line still gets him to greet the state official who listens in, but somehow the greeting has lost its zest. Could it be that it was only a bad connection after all?

This summer, the Gawliks and two children—in November there will be three—moved into a newly built apartment in the center of Wroclav. Soon five people will squeeze into a tiny space consisting of two small rooms, a kitchen, and a bath. The apartment looks empty despite its many occupants. No newspapers, no books, no toys clutter up the place. The furniture consists of a

wall unit where food and clothes sent by relatives in Berlin are stowed away, a folded-out sleep sofa, a table, and four chairs. That doesn't leave much space to move about.

Gawlik still gushes like a waterfall, but he no longer asks questions about life and politics in the West. He is preoccupied with Poland's future; he wants to find a way out of the country's present misery. His features are more angular now, he seems even thinner than before, his arguments have taken on a sharper edge. Obviously, this 32-year-old is not setting an ultimatum of 3 to 4 months for reforms to take place because he himself is restless and impatient; it is because he sees no other way out. "We have no alternative," he declares with determination. "If we can't make this work, people will become defensive. They will lose their patience, riots will break out, and Solidarity will no longer be able to control them. Such a development will provide the hard-liners within the PVAP [Polish Worker's Party] with reasons to once more declare martial law. The situation is more than critical."

An additional difficulty in Radek's view is that he, as well as other former opposition members, are amateurs on the parliamentary stage of the Sejm. While admonishing Ola gently not to beat on 2-year-old Witek and at the same time trying to calm the screaming boy, he concedes that even long-standing parliamentarians don't necessarily act more professionally. They have been sitting in the Sejm for the past 2 years and don't do much more than raise their hands when cued to do so. As for himself, he does not feel inferior, because as the managerial expert of the department on "worker's compensation and ecology," he faces no competition from professional socialist party politicians because they have no idea what those words mean.

Quietly, almost shyly, his wife Anka asks him if he wants something to eat after all. She slides a plate with navy beans and grits between his propped up arms; he shovels the food in without interrupting our conversation. Radek is a vegetarian because as a confirmed pacifist he detests all killing, even that of animals. His wife shrugs her shoulders ever so slightly as if to say—that's the way he is. Anka lives completely in the shadow of her husband. Had she joined the Party after her university graduation, she would have been offered an academic position. Instead she bears children and takes care of the house. Poland's precarious supply situation has her stand in line for hours, making housekeeping a full-time job. Besides, being married to a deputy is supposed to be some kind of a job too. Emancipation has had little effect on sex roles in Catholic Poland. Even those young males in the opposition who say they are atheists show little change in their attitude toward women.

An old office building on Warsaw's Red Square is decorated with a huge Solidarity banner. Men are loading the latest edition of the legal and independent daily "Gazeta Wyborcza" in a van emblazoned with the same banner. Traffic noise surrounds this dirty grey,

turn-of-the-century house whose first floor offices are home to the party and its deputies. A long hallway with a worn linoleum floor in an ugly shade of brown contains new wooden chairs that fill the air with a pleasant scent. Notes pinned to a blackboard announce meeting hours and let it be known that an "attractive, young woman" is looking for a place to live.

Gawlik's office with its three simple, small desks and wooden chairs looks uninhabited. Its walls are covered with a flower print and are decorated with a crucifix, a Solidarity election campaign sticker, and a few black and white pictures from a campaign meeting. One window pane is cracked, electrical outlets dangle loose, the carpet is stained. The room has no typewriter, no shelves, no books. Where are all the reference works, the law books, the filing boxes filled with economic, ecological, and political analyses that fill the shelves of even low-level offices in the Federal Republic? Here, there simply are none. Except for underground press publications, the Communist press has held a monopoly on information for the past 45 years. The new politicians face many problems; a big one is how to get information and how to pass it on. Two Solidarity newspapers and the weekly television program that Radek calls "50 Minutes of Freedom" are simply not enough to adequately inform everybody.

The deputy takes detailed notes of what the citizens who come to see him during business hours have to say. Today, he is meeting with two young members of the Academy of Sciences. They are complaining about an unfair premium system and are asking the deputy for help. Radek calls in an expert, an older gentleman with a greying beard who has for years collected data concerning this type of socialist salary enhancement. He quotes numbers from a thick wad of handwritten notes. "A worker receives from his average monthly pay of 100,000 zloty 20 percent in premiums per quarter. The work of a director nets on the average about 150,000 zloty a month plus 150 percent premium plus expense accounts for gasoline and other items."

The expert recommends that the scientists write a letter of protest. They tell him that they have already done so to no avail. Probably, nobody has even looked at the letter yet. Radek advises them to write a letter that can be printed as an article in the Solidarity papers and broadcast by Radio "Wolna Europa" (Free Europe). He says that their problem is only one manifestation of a profit system that must be exposed and done away with. Radek comforts the not too encouraged looking scientists. "Things will change," he says, "a director is only a human being, he can be replaced."

The conversation is constantly interrupted by telephone calls, by people who quickly look in to say hello or use the office as a thoroughway to the next room. All doors are open in this Politbureau, everybody knows everybody, and everybody is on a first name basis. What ties them together are years of work in the underground, and Gawlik was one of them. No noticeable distance has

developed yet between the deputies sent to parliament and their constituency. Radek stresses this closeness again and again. He says that parliamentarians need to concentrate on factories and on regional and local administrative levels, "because it is on these levels that officials still exercise absolute power. The old nomenclatura is still firmly entrenched. Although Solidarity has about 2 million supporters in the Warsaw region, a particularly hard-line wing of the communist party controls what's going on. It is necessary to change the entire personnel structure. It is my revolutionary mission to dismantle the hierarchy and to initiate self-administration."

This evening, however, poses a more down-to-earth problem. The kids need a bunk bed. That kind of furniture hasn't been available for months in the city, and so he drives 20 miles outside the city to buy a used bunk bed for 70,000 zloty. "That's Polish economy," he says and adds, "today, we couldn't even get milk."

The next day, about 300 Solidarity delegates from regional factories, theaters, and universities meet in the Center for Culture. Gawlik sits with five other Solidarity deputies on the stage to give an account of his activities. An audience of about 300 listens intently with paper and pencil in hand. Even though the presentations by their elected deputies are long-winded and of little oratorical beauty, the audience does not interrupt. Nobody laughs, a few critical remarks are quietly exchanged between neighbors, there is no applause. The situation is simply too serious, and a society normally not well informed listens intently once information becomes available. It is neither the time nor place to indulge in self projection. Radek reports on the activities of the Sejm in a factual, almost monotonous manner, yet the way his hands touch his face betrays his nervousness.

An hour and a half later, it is time for discussion. People line up in front of the microphone. Contrary to such meetings in the West, there is no discussing and polemizing, instead people exchange news and addresses. They also tell Radek what problems he needs to look into when he goes back to the capital—such as the one involving unjust premium payments.

The last delegate has finished and it is late. Radek drives home. He is tired and worn out. He still has to set up the bunk bed. At 6 am the next morning, he is at the airport to catch the first plane to Warsaw. This year, Parliament takes no summer recess. It is a hot summer with a hot fall to follow. "We will succeed," he says, but somehow it doesn't sound quite as convincing as he would have liked it to sound.

YUGOSLAVIA

Implications of Slovene Amendments Examined

Views of Slovene Professor

90EB0032A Belgrade BORBA in Serbo-Croatian
30 Sep-1 Oct 89 p 5

[Interview with Rastko Mocnik, professor of sociology at Ljubljana University and president of the Ljubljana

chapter of UJDI, by Momcilo Djorgovic and Veselin Simonovic: "History Has Burst"; date and place not given]

[Text] Rastko Mocnik is a professor of sociology at Ljubljana University, chairman of the Ljubljana chapter of UJDI, and a very politically committed intellectual. We confronted him with all the questions which are circulating in Yugoslavia today in connection with the Slovenian amendments in hopes of obtaining broader and perhaps deeper explanations of a Slovenian intellectual concerning the most recent events which have been disturbing the entire country.

[BORBA] What has actually happened in Yugoslavia?

[Mocnik] What has actually happened is that a historical mutation has been constitutionally sanctioned. Speaking in general, I think we have finally broken away from real socialism as a model. The social reality of socialism has been functioning on the basis of coercion from outside the economy. In that respect, real socialism is regressive compared to capitalism, for which economic coercion is sufficient. The extraeconomic coercion in socialism is exerted in various ways such as physical repression, police control in a variant of the Foucault microphysics of power, specific ways of disorganizing everyday life (the reproduction of life is labored and exhausting, a great deal of free time is lost). All those heterogeneous elements of coercion are unified by the ideological element, which is also one of the important ingredients of that coercion. And so the ideological unification of those societies is one of the essential conditions of their existence. It might be said that real socialism is a variant of aristocratic society: the social contradictions emerge within the ruling elite and are expressed in the factional conflicts of the ruling "caste." Political life in such societies takes place behind closed doors, out of public view and in the absence of rules that have general validity. The favorite theory of the holder of power in those societies, the theory they use to explain their settlement of accounts with the opposition, is the theory of conspiracy: this is, of course, a romanticized variant—but its rational core is that political life in those countries really does take place after the pattern of court intrigues.

These amendments insert a discontinuity and, I hope, a point of irreversibility in such societies. Instead of a closed palace, space for the public, instead of Pretorian conflicts, democratic pluralism, or at least the inception of that kind of pluralism, instead of intrigues and executions, neutral rules of the game are being introduced.

Illusions About the Real-Socialist State

[BORBA] Will the enactment of the notorious Slovenian amendments and everything that accompanies them all over the country speed up and deepen the crisis in Yugoslavia, or is this the beginning of some new experiment that would reform the system, which is not only in crisis, but manifestly shows little ability to get out of it? Is Slovenia now a Trojan horse of separatism or the vanguard of changes?

[Mocnik] I think that the answer is contained in your question. Amendment of the Constitution is already a change of the system. As for that dilemma, I think that it is posed from the standpoint of a stereotype that should be abandoned. I hope that this change will open up alternatives which we do not expect as yet.

[BORBA] Does it mean that we are leaving a stable decentralized statism and entering a dynamic pluralistic statism?

[Mocnik] We refer to real-socialist societies as statist because the state is involved in all the pores of life. But it is still a question to what extent the real-socialist state is a state at all? In my opinion, it is a regressive form of social organization, a kind of stunted state. One of the important slogans of the alternativists in Slovenia has paradoxically been the demand for a strong state. We might say that the real-socialist state is a machine for direct power which does not have the autonomy of bourgeois liberal states. That state cannot be a strong state, because it often comes into conflict with what is called the global interest of society, which at least in relative terms is above class differences and other differences—the interest of survival. So, that state performs its function poorly and is not capable of adapting. The power of the liberal state, by contrast, is that it does not interfere in the details of everyday life and for precisely that reason is able to resolve social conflicts, not to block them.

The Arrival of Nationalism Is Understandable

[BORBA] Fine, that is an examination in principle, but what is happening in Yugoslavia now? Don't the Slovenian amendments signify the transition precisely to a national state which is a regression by contrast with the liberal state? Will we get out of the crisis faster and will we arrive at democracy and a stable economy if everyone builds in his own republic a garden "that is the most beautiful of all possible gardens," as in Voltaire's "Candide"?

[Mocnik] Ask me a question with the help of Voltaire, I will answer you with the help of Condorcet: In his draft of the school reform, he omitted the works of the ancients because they were exponents of oral culture and prejudices and included the national literature instead—the medium of science and reason. At that time, the nation could exist as a neutral space for rational regulation of social relations. Today, we see in the national principle the last remnants of that *naturwuchsigkeit* which capitalism has otherwise been destroying. Now that we are again incorporating the achievements of bourgeois civilization into social organization, these other elements, such as nationalism and the national state, have to come along with them. Viewed in that historical dimension, the arrival of nationalism is understandable, and if it is understandable, then it also can be mastered.

[BORBA] Can we in Yugoslavia arrive at democracy, a stable economy, and a law-governed state severally, each one for himself?

[Mocnik] I think that if we take a bit better look we have gone much further than we think. Take, for example, the last meeting of the Central Committee, the logic of this last meeting was as follows: since we have a problem, let us call a meeting of the Central Committee, then we will have still more problems, but we will at least have a meeting. That is a markedly regressive form of institutional logic. The institution is being reproduced by its rituals rather than in some other way, at a high price which could seriously disrupt or even destroy it. An elaborate totalitarian institution is maintained by a much stronger logic—by producing a victim: "Our party is no longer Stalinist—yesterday we executed the last Stalinist." In that way, it eliminates the opposition with an oppositional jargon, and it is a well-known phenomenon that the battle against the bureaucracy is the favorite method of keeping the bureaucracy in power. The antibureaucratic revolution can be interpreted in precisely that light. If an institution which has greatly contributed to this crisis returns to its regressive form, that means that that institution—the LC—either should undergo essential change, or it will wither away.

[BORBA] Is what is happening in Slovenia now a process that will last a long time, so-called historical lines of force which can be traced back to the creation of the old Yugoslavia, or are they phobias of the moment?

[Mocnik] Historical time is not homogeneous. A lengthy phase of maturation is followed by a moment of structural upheaval. It is like that famous oriental question: Did anyone see the apple fall? It is either still hanging from the tree and maturing, or it has already fallen; as far as a phobia is concerned, who is not going to shudder when history cracks? I think that we find ourselves in a moment of the kind of crack that we will perhaps later learn what has actually happened.

[BORBA] Fine, what kind of state is it when the federal units have their original rights, and the Federation has only derived rights?

[Mocnik] If you put that question to any Slovene, he will tell you that it is the same state which we have had up to now.

A State of Concern Accentuated by the Media

[BORBA] Can the territorial integrity of the entire state be threatened by the sense of ethnic identity?

[Mocnik] I would propose an optimistic interpretation. Whereas in the past, the Slovenian people organized itself around culture and other manifestations of bourgeois society, establishment of the national state has meant a historical step forward, since what was some "deep internal" connection between individuals now becomes an abstract connection through the state. This opens up the way to development of a modern state that would be a neutral state of citizens.

[BORBA] But how do you interpret the great concern that has arisen in certain other parts of Yugoslavia because of adoption of the Slovenian amendments?

[Mocnik] This is a simple ideological reflex in which the frustration of the entire crisis is condensed, and since that reflex favors the ruling groupings, it is accentuated by the media.

[BORBA] The Slovenian amendments are also criticized for jeopardizing the effective functioning of the armed forces.

[Mocnik] I think that that fear is unrealistic, but the argument can be made. On the one hand, the trial against "the four" greatly affected public opinion in Slovenia, and at the same time the speeches of Momir Bulatovic in Titograd are quite incredible. I think that the armed forces are being played around with here. It all comes down to the question of whether the constitutional role of the Army can be maintained, whether the state can go on functioning somehow?

The Maneuver of Intimidating the People

[BORBA] Does the kind of arrangement of the Federation which legally constituted Slovenia is advocating destroy once and for all the possibility of a plurality of parties and movements in Yugoslavia at large?

[Mocnik] I think conditions are being created for such movements to spring up. So long as there exists only one party, all parties exist within that one sole party, even Gramsci pointed that out. And that has happened with the LCY. All these republic parties are a consequence of that monopoly. I think that our society has matured to such a point, especially with the up-to-date communication media, that in a pluralistic system there will be no problem about Yugoslav parties. And at the outset, if not parties, then coalitions.

[BORBA] As far as we have understood from the interview so far, you are not afraid of Yugoslavia's disintegration?

[Mocnik] Frightening people about the disintegration of Yugoslavia is a maneuver which many are using, even opposing political groupings. On the one hand, this is intimidation of the people, which is an utterly anti-democratic maneuver, and on the other it means creating an illusion similar to those which certain conservatives created at the time of the constitutional discussions in Slovenia. They demanded that such debates be postponed until a new constitution had been drafted. They demanded postponement of something whose time had come.

[BORBA] There is also talk about the inborn egocentrism of Slovenes and their leaning toward separatism.

[Mocnik] If we want to introduce elements of the capitalist system, then we also have to consent to the egoistic individual. It is an illusion when someone in our country wants to introduce a market economy and not take into

account the social effects of that economy. Anyone who has lived in any capitalist country knows that life is very hard there, and that is the reason why those societies are efficient.

[BORBA] The Yugoslav public is most interested in the amendments concerning self-determination, and somehow its attention has overlooked those amendments which are supposed to set standards for pluralism in Slovenia, which is already very much present in the Slovenian public, especially now that agreement is being reached on the election law.

[Mocnik] It is true that the greatest uproar was raised in Yugoslavia over those constitutional amendments which were not at the center of the constitutional discussion in Slovenia. In Slovenia, the central question was the citizen's right of association and the election system. Here again, the alternativists and the opposition achieved great progress, and even the official forces underwent an important evolution. I think that the citizen's right to associate was properly dealt with in the Constitution, but I am not satisfied with the definition of the election system. It is symptomatic that in the last meeting of the constitutional commission we had a confrontation over the election procedure for the Sociopolitical Chamber. I think that the present phrasings are not good, since they are ambivalent and allow differing interpretations.

[BORBA] One of the tests of democratization in Slovenia is the attitude of Slovenes toward the so-called non-Slovenes. There are those who are ready to say that the revulsion against southerners is intense enough to be called racism.

[Mocnik] There has been a great deal of exaggeration here in the recent past. The extremes are altogether marginal. It is a structural question. It is mainly the classical proletariat that is coming to Slovenia from other parts of the country. It belongs to a social structure which is the classic industrial structure, and it is therefore homogenizing. This question will be resolved only with a change in the structure of society in Slovenia and Yugoslavia, when we pass over into the postindustrial phase. Then cultural differentiations will have an important role, and they will become not a brake, but a driving force behind the rise in the efficiency of social production.

Constitutionality of Amendments

90EB0032B Belgrade BORBA in Serbo-Croatian
5 Oct 89 p 6

[Interview with Dr Branko Smerdel, associate professor of constitutional law in the Zagreb University School of Law, by Miro Krmnotic: "Conflict Between Two Federalisms"; date and place not given]

[Text] "We might have expected that SR Slovenia would go further with its constitutional amendments than was done at the federal level," said Dr Branko Smerdel,

associate professor of constitutional law in the Zagreb University School of Law, at the outset of an interview for BORBA on the "debatable" amendments to the Constitution of SR Slovenia. "It is also essential that these amendments were debated in public for 3 months, so that actually there was no reason why their content should have surprised anyone.

"I would first present my general view of those 'debatable' amendments.

"That is, even in the prior constitutional debates there were two differing conceptions of federalism on the Yugoslav political scene which have only recently become concentrated on two basic theses. The first is the so-called authentic federalism, regardless of what it means now, and the second thesis has to do with the asymmetrical federation. This has been like setting up the chess pieces, establishing the positions, in a debate that began many years ago about whether the 1974 Constitution made Yugoslavia a confederation or a federation.

"I think that the basic and primary problem in this dispute is the question of how we look upon federalism. If federalism is conceived as a necessary evil which threatens unity by maintaining difference, then this tendency will strive for uniformity and reduction of departures from federal solutions to the minimum. But if federalism is seen as a necessary institutional framework for democratic processes, especially in a multinational community, and not only in such a community, then you will have a line of thought which necessarily links federalism to the building of democratic political institutions, and, put in your terms, the introduction of pluralism into the constitutional system."

An Imperfect Mechanism

"And now if we take into account the conflict on the Yugoslav political scene and the position of the SFRY Constitution in that respect, Article 206 of the Constitution, for instance, states that a republic constitution may not be contrary to the federal constitution. This distinction between the so-called demand for noncontradictoriness and the demand for agreement is rather easy to explain in theoretical terms. If noncontradictoriness is demanded, then the drafter of a constitution at a lower level is in principle permitted everything which the federal constitution does not forbid him to do. This also applies to other statutes. So, if agreement is required, then in principle the statute would have to range entirely within the limits allowed it by the superior legal act.

"An imperfect mechanism has also been envisaged with respect to the republic constitution. That is, the competence of the Constitutional Court of Yugoslavia to submit its opinion to the SFRY Assembly if doubt occurs as to whether a republic or provincial constitution contradicts the federal constitution. The legal mechanism has not been provided for removing such a statute or such orders from the legal system. At the time when the Constitution was adopted, this was deliberately done,

since it was felt that the republic or provincial constitution had such great political importance, that the power could not be granted to a body at the federal level to issue an order that in a particular way would influence the termination of validity of provisions of the republic or provincial constitution. It should be said that one equally scrupulous mechanism has been adopted with respect to studying the unconstitutionality of a law or collision of republic laws with federal law, in that the Constitutional Court of Yugoslavia has not been granted the right to immediately vacate such an act if it finds that it is unconstitutional or unlawful, but rather there are 6-month periods which can be extended for another 6 months, and then an interpretation follows, so that when those periods have expired, if the Assembly which adopted the particular law has not brought it into conformity with the Constitution, it ceases to be valid by force of the Constitution, that is, *ex constitutione*, and the Constitutional Court merely establishes that in its decision. I would like to emphasize this gradation with respect to the Constitutional Court of Yugoslavia from one legal statute to another depending on their legal force and rank. It should also be added that the Constitutional Court of Yugoslavia also has authority to vacate and annul sublegal enactments."

[BORBA] Following your general position, what do you specifically think about the constitutional amendments of SR Slovenia, and what do they allow it to do?

[Smerdel] When it comes to the specific amendments to the Constitution of SR Slovenia which have been adopted, it is essential to mention two things. First, at this point we do not have the text for a professional legal analysis. Amendments were made up to the last moment, that text has been in revision, and the legal method of resolving the aggravated political problems demands at the least that we make a judgment on the basis of what has actually been adopted in the Slovenian Assembly. That is the purely professional legal aspect of the problem. Primacy should be given to that aspect and we should insist on it, because whenever attempts are made to resolve political issues as legal issues, which incidentally is the achievement of present-day democracies, there is a need for time and a high level of professionalism and a lowering of the temperature in the debates. The second aspect is political, and that is where I would dwell in my comment.

Ambivalent Provisions

[BORBA] Does the SFRY Constitution, because of passages which are unclear or not fully stated, allow differing interpretations, so that both sides in the dispute are actually right?

[Smerdel] Yes, there are many things in the SFRY Constitution that are unclear and many ambivalent provisions concerning various areas. They arose out of an ambition to build the 1974 Constitution to last forever, to make it an institutional framework for a modern society, so that by the simple logic of drafting

such a document it resolves in an ambivalent way a number of things which other constitutions deal with, however difficult that might have been and however much recognition of reality it might have required in one community.

[BORBA] Does that mean, put in simple terms, that everyone can "read" the Constitution to suit himself? Where, then, is the role of the Constitutional Court of Yugoslavia if both sides have arguments. Could it happen that it would come to the Constitutional Court because of this kind of "reading" before outvoting occurs?

[Smerdel] Everyone always "reads" the Constitution as it suits him. But in the case of the Slovenian amendments each side in the dispute has arguments, but unfortunately in recent days we have been hearing very few arguments in the debates. It is also well known that the Constitutional Court of Yugoslavia decides by a majority of the votes of its members, so that ultimately the decision will be made by a majority of the votes.

[BORBA] Radovan Sturanovic, secretary of the Commission for Constitutional Affairs of the SFRY Constitution, has said in a Tanjug statement that the opinion of the Constitutional Court of Yugoslavia on whether some republic or provincial constitution contradicts the federal constitution is authoritative and legitimate, and that the obligation ensues therefrom to remove that contradiction. How do you interpret that assertion?

[Smerdel] The opinion of the Constitutional Court of Yugoslavia is quite certainly authoritative, which means that the people sitting on it are eminent specialists and have a high reputation, and they were appointed by the SFRY Assembly to a term of 8 years, but it should also be mentioned that one does not need to be a lawyer to be a judge on the Constitutional Court. So, there is no dispute, the Constitutional Court of Yugoslavia does have high authority. That opinion is, of course, also legitimate, since it was envisaged by the SFRY Constitution. But now we arrive at the question of whether it is also binding. If we take the letter of the Constitution, it is not binding. At the time when the 1974 SFRY Constitution was adopted, and later, this question has arisen quite often in public debates. How to provide a federal mechanism for eliminating from the legal system those norms which are not in keeping with the Constitution, including both republic and provincial constitutions? And this is one of the points at which those two differing conceptions of federalism in our country intersect. The present procedure is well known, but I personally think that this question of the constitutionality of the amendments to the Constitution of SR Slovenia will greatly aggravate this problem and ultimately work toward incorporation of a mechanism of that kind in a future constitution, which is already being worked on.

Reaction to Policy

[BORBA] What in the end can happen with the Slovenian amendments? Do they remain as they have been adopted, or is it possible that they will be amended or vacated?

[Smerdel] Amending them is in the competence of the Assembly of SR Slovenia. The legal mechanism has been provided for—the Constitutional Court of Yugoslavia, the opinion of the SFRY Assembly—so, it will go through the various processes of political reconciliation and agreement. However, there is no body that can nullify the provisions of the Assembly of SR Slovenia.

[BORBA] Does that mean that it is possible for a republic to "leave" the Federation by simply amending its constitutional provisions? If the Assembly of SR Slovenia adopts such provisions, the Federation has no legal means of preventing it?

[Smerdel] Yes, there is no legal means by which that would be stopped. Neither the Constitutional Court of Yugoslavia nor the SFRY Assembly has that power. Nevertheless, I think that insofar as it is possible we should depoliticize the atmosphere that has been created; I think that there is also a ray of hope in this, and that is that the social awareness will spread that these problems are being dealt with as legal issues. They cannot be resolved by any appeals for weapons, armed forces, or rallies.

[BORBA] To what extent will the Slovenian amendments revive the so-called asymmetrical federation?

[Smerdel] The problem with the idea of the asymmetrical federation is when it is interpreted in the direction of the privileged position of a republic. Then that is something else, that is not asymmetry within the federation. The question of whether a federal unit has the right to nullify a law enacted at the federal level, if it does not agree with it, is arising today in the USSR as well with the example of the Baltic republics. But that question was put back in the 1830's in the United States, when the theoretician John Calhoun elaborated the idea of the asymmetrical federation as the right of every sovereign state joining a federation to judge what suits it from the level of the federation, and what does not suit it. That is for me going a step too far.

If Amendment 42 of the Slovenian Constitution were interpreted in that way, that the Assembly of SR Slovenia can adopt measures which will nullify the provisions of a federal law which do not suit it, then that step is directly unconstitutional. However, it is possible to interpret the asymmetrical federation in another way, so that adopting the necessary measures could also signify instituting proceedings before the Constitutional Court of Yugoslavia. This is the manner to which we must become accustomed, but unfortunately it is expensive, slow, and imperfect, but there is none that is more perfect.

So, this amendment has been written so that it can be interpreted in different ways. In my opinion, the real problems will arise at the point when someone begins to interpret it as the right of SR Slovenia to nullify federal laws, that is, not to apply those it does not agree with.

[Box, p 6]

Politicization of the Court

[BORBA] The Constitutional Court of Yugoslavia could be politicized. Have there been such cases in its practice up to this point?

[Smerdel] We have the example when the Constitutional Court of Yugoslavia issued its opinion on certain provisions of the 1985 "foreign exchange law." As far as I am aware, this is a case where it showed a surprising activism and surprising resoluteness in intervening in very sensitive political relations. Up until that time, it had been criticized for imposing upon itself self-limitation, for scrupulously avoiding getting involved in "hot" issues, especially those issues of disputes concerning rights and duties in the Federation. But in the case of the "foreign exchange law" it intervened resolutely and did so in an accelerated procedure of reconciliation of views, which resulted in adoption of the new law, which is even now being debated.

In this entire matter, I have noted a truly visible illogicality in the constitutional regulation, and that is that the constitutionality of a law that is enacted on the basis of consent of the assemblies of the republics and autonomous provinces is ruled on by a majority in the Constitutional Court. Should there be a fierce political struggle in which practically all federal bodies and their members are bound to their republic base, this could result in an undesirable politicization of the court. That is, it could

be harmful to what the Constitutional Court of Yugoslavia should be, a strong unbiased arbiter of the Federation which can intervene in the relations which are in dispute.

[Box, p 6]

'The Amendments of Fear'

In explaining the amendments which establish competence in applying emergency powers, Dr Smerdel said the following:

"Right at this point there is a blank spot in the 1974 Constitution, since in one article it primarily associates the powers of the SFRY State Presidency with the state of an immediate danger of war and a state of war. Its powers here are unquestioned, it issues orders with legal force which take the place of the entire legal system, and in a state of war it can even stay the application of certain provisions of the Constitution. This question has been raised, but it was raised for the first time publicly in Slovenia in connection with adoption of emergency powers in Kosovo, which were adopted on the basis of the Law on National Defense, and the constitutional basis for adoption of that law was construed from various other articles of the SFRY Constitution.

"The argument coming from Slovenia is that in their amendment they have merely filled the blank spot that has existed in the SFRY Constitution. It is Amendment 43, which regulates this problem area, that is the most marked of all the Slovenian amendments whose purpose is to react to the current political situation in the country and to make use of those constitutional definitions to set up particular bodies. And it perhaps best justifies the name which one is hearing today in public when they are called 'amendments of fear.'"

CZECHOSLOVAKIA

Motor Fuel Prices Increased To Improve Control

90EC0049D Prague HOSPODARSKE NOVINY in
Czech 22 Sep 89 p 7

[Article by Eng Vaclav Loula and Eng Jan Pirko, State Planning Commission: "Limits Did Not Help; Will Prices?"]

[Text] Roughly 600,000 trucks (including buses and tractors) are registered in the CSSR, and some 2.8 million passenger cars. Motor fuel production has so far been totally dependent on crude oil, 99.3 percent of which we import from the Soviet Union. We need to anticipate that crude oil will be increasingly difficult to obtain for a number of reasons, related both to reduced availability and to the structure of our counter deliveries. For these reasons the foundation of our motor fuel management must continue to be a reduction of the transportation, power, and materials intensiveness of the entire national economy.

Absence of Timely Adaptation

The past 15 years have seen two diametrically opposed ways of managing motor fuel consumption. Until 1981 motor fuel consumption was not limited because we continued to receive imports of inexpensive crude oil. Increased crude oil imports from the Soviet Union combined with favorable prices resulted in increased refining of crude oil becoming the dominant factor in the growth of our chemical industry.

The low price of fuels made possible a sharp increase in the motorization of the national economy in both freight and passenger travel. In the Sixth 5-Year Plan diesel fuel consumption increased by 600,000 tons annually. Concurrently the chemical refining of crude oil products was developed, the facilities built for meeting needs for plastics, and the fuel and power balance was improved

by increasing the percentage of liquid fuels. Favorable procurement conditions for crude oil from the Soviet Union led to the development of the national economy and an improved standard of living but did not orient our economy in time to more competitive conditions in world markets.

In 1980, 19 million tons of crude oil was processed in the CSSR. The second crude oil shock sent the price of crude oil from 19 dollars per barrel in 1979 to 35 dollars per barrel in 1981. Increased crude oil prices on world markets were also reflected in an increase in the price of crude oil imported from the Soviet Union from 57 rubles per ton in 1980 to 117 rubles per ton in 1982. The increased price of crude oil forced us to introduce extraordinary measures to bring our balance of payments with the Soviet Union into line. These included a one time reduction in crude oil imports of 2 million tons annually.

Complex System of Mechanisms

Reductions in crude oil imports at the start of the Seventh 5-year Plan had to be incorporated in all national economic sectors. A system was therefore adopted for managing consumption of crude oil products that involved directive economic mechanisms based on regulating consumption by setting binding limits on deliveries of selected crude oil products (diesel fuel, gasoline, heating oils), and a gradual increase in the retail price of diesel fuel from Kcs 2 per liter in 1981 to Kcs 5.50 per liter in 1985, with organizations absorbing Kcs 0.20 per liter in their costs. The remainder of the increase was then incorporated in modifications to wholesale and procurement prices. Also introduced was a supplementary transfer payment equal to three times the applicable prices for exceeding these obligatory limits.

The new situation had a positive impact on diesel fuel consumption. Between 1980 and 1985 consumption was reduced by 400,000 tons, as shown in the following table:

Actual and Planned Diesel Fuel Consumption for 1980-90 (in Thousands of Tons)

	1980	1982	1985	1987	1988	1990
	Actual	Actual	Actual	Actual	Actual	Plan
Total	3,837.6	3,431.1	3,402.3	3,472.7	3,456.0	3,316.0
Made up of:						
Public transportation	1,381.2	1,289.9	1,297.7	1,302.0	1,289.8	1,308.0
Agro-food complex	1,173.7	1,044.9	1,072.9	1,114.9	1,117.0	1,006.8
Other sectors	1,282.7	1,096.3	1,031.7	1,055.8	1,049.2	1,001.2

During the Seventh 5-year plan consumption evolved in what may be referred to as a positive way. Increased deliveries of diesel fuel allowed public transportation to account for a larger percentage of total road traffic. Other sectors reduced their diesel fuel consumption in all areas.

Despite several problems associated with the implementation of the above measures, between 1980 and 1985 we

succeeded in reducing deliveries of diesel fuel by 435,000 tons, or by 11.4 percent. The transportation intensiveness of national income formation fell from 180.72 ton-kilometers per Kcs 1,000 of national income in 1980 to 162.93 ton-kilometers per Kcs 1,000 of national income in 1985, a reduction of 9.8 percent. Declines in fuel consumption also led to a reduction in energy intensiveness of national income formation from

204.4 tons of standard fuel equivalent per Kcs 1 billion of national income in 1980 to 187.5 tons of standard fuel equivalent per Kcs 1 billion of national income in 1985, a reduction of 8.3 percent.

To support the objectives of the Eighth 5-Year Plan binding limits and penalties remained in force. These were codified in the updated CSSR Government Ordinance No 77/1986, Laws of the CSSR, and a Federal Ministry of Labor and Social Affairs edict from 1986 which established a calculated percentage of wages payable resources for diesel fuel savings against the limit of Kcs 2.60 per liter, or 47 percent of the retail price of diesel fuel. It has been assumed that these measures will act together with administratively established limits to offer organizations economic incentives to conserve diesel fuel by both increasing its price and assessing penalty transfer payments for excess use.

Despite this retention of a combination of economic and directive measures, the Eighth 5-Year Plan saw an increase in diesel fuel deliveries. This 5-year plan called for reductions in consumption of one percent annually (with the exception of public transportation), but actual deliveries over the first three years of the plan increased by three percent.

Because current developments in diesel fuel consumption were at variance with projections for the Eighth 5-Year Plan the Energy Commission of the CSSR Government conducted a deeper analysis of the evolution of consumption in 1987. The study showed that in 1986 and 1987 the rate of increase in diesel fuel consumption efficiency in relation to value indicators was lower.

Everyone His Own Manager

The reasons for increased consumption may be summarized as follows:

- Failure to meet objectives for reducing the transportation intensiveness of the economy (instead of a planned 10 percent reduction projections for the end of 1990 call for an actual reduction of 6.7 percent);
- Increased requisitions for transportation by individual sectors has meant that although public transportation services increased by 2.9 percent, factory transportation also went up by three percent. We thus are not meeting our objectives for increasing public transportation at the expense of factory and cooperative transportation;
- Failure to increase the energy efficiency of delivered equipment. Often innovative new transportation machinery and equipment consumes more fuel than existing equipment;
- Increased investments, especially in construction have increased diesel fuel consumption, especially in 1986-88;
- Lack of spare parts, measuring and regulating instrumentation has a negative impact on operating vehicles with high fuel consumption.

Even though the limits approved for the Eighth 5-Year plan were adjusted in each annual plan, there have still been requests to further adjust these limits. In addition to failing to meet targets for rationalizing diesel fuel consumption, these exceptions have in effect suppressed the economic function of the current technique for regulating consumption. The administrative part of the current technique has become predominant. Basically, supplementary transfer payments as penalties for exceptions and supplementary modifications of state plan limits have never been levied. This has meant that only the administrative measures in the overall complex of economic and administrative measures, did not lose their impact. The administrative measures, however, were basically limits on consumption that more and more came under criticism by the economic sphere.

The greatest shortcoming of these limitations was, clearly, the pressure that an entity could bring to bear for increasing its assigned limit. This pressure increased with the number of managerial links in the chain—for instance, federal government, republic government, ministry, economic production unit [VHJ], enterprise. The same was true in agriculture, national committees, etc. Collecting information on needs, making evaluations, coming to decisions, and then reworking the actual limits "from the top down" has proved to be administratively very difficult. For the above reasons the process was also less than objective and did not meet the needs of a number of newly formed smaller organizations, in services for instance.

For these reasons the CSSR Government decided, in Resolution No 184, dated 22 June 1989, to change the way fuel consumption is managed. The changes involve, basically, a shift from directive management to management by economic measures. The decision includes elimination of limits on diesel fuel and gasoline for all organizations except the police and the military, and an increase in the price of diesel fuel. An ordinance is now being drafted to increase economic incentives to conserve diesel fuel. It was decided that organizations must absorb the price increase up to a total of 0.3 percent of their total costs, without being able to increase the prices of their goods or services. An exception is the revision of freight rates that is now in process.

The primary purpose of these measures is to find measures that are in the spirit of the restructured economic mechanism, and that will offer all employees incentives to think about his or her use of these raw materials. In 1990 an evaluation will be conducted of the effectiveness of these measures in rationalizing diesel fuel consumption, and modifications will be made as necessary.

GERMAN DEMOCRATIC REPUBLIC

FRG Economist Highlights Deficiencies in GDR Economy

90EG0009A Hamburg DER SPIEGEL in German
No 41 9 Oct 89 pp 28-31

[DER SPIEGEL interview with Doris Cornelsen, considered one of the most knowledgeable experts on the GDR

economy: "The System Produces Shortages." A doctor of economics employed at the German Institute for Economic Research for more than 3 decades, Cornelsen, 56, has headed the department for GDR and Eastern industrial countries since 1974. The fact that she sees the problems of the GDR economy in a more differentiated fashion than most of her colleagues in the FRG does not necessarily make her better liked in the GDR. When she recently doubted the official growth-rate figures of the GDR economy, the SED [Socialist Unity Party of Germany] newspaper NEUES DEUTSCHLAND issued a furious response.]

[Text] SPIEGEL: Mrs Cornelsen, the GDR leadership at present seems to have only the choice of either barricading the borders or losing a considerable part of its young, dynamic population groups. In the short term, is there even a way out of this dilemma for the GDR?

Cornelsen: The GDR already lost its big chance in 1985 when it did not follow Gorbachev's reform course. If they had initiated reforms at that time, it would not have come to this. The longer they wait, the more difficult the situation becomes. Actually, I do not believe that there will be insurrections in the GDR. But the mood in the country will continue to deteriorate. That, naturally, also makes further economic development more difficult. And then even more people will want to leave.

SPIEGEL: Even today, GDR industry complains about a shortage of labor. Can it actually cope with this blood-letting of young, well-trained people?

Cornelsen: For some time now, more than 100,000 foreigners are being employed in GDR industry. So the shortage of labor is not new. Also, for several years now there have been a great number of legalized departures—about 100,000 this year. Now there are more than 40,000 in addition, who fled via Hungary or the FRG Embassies in Prague and Warsaw.

SPIEGEL: So the GDR is particularly vulnerable in this respect?

Cornelsen: One should not dramatize this problem. The loss of approximately 1 percent of the labor force is manageable, especially since the GDR is quite profligate in dealing with its labor force. The entire economy there operates on the principle of wastefulness: Everything is too material-intensive, too labor-intensive, too energy-intensive.

SPIEGEL: So the growing shortage of labor could be overcome through greater efficiency?

Cornelsen: In the GDR there is always a kind of pseudoshortage. It is always being said that everything is scarce, but this system itself produces shortages. Nothing is organized efficiently, machines are often old and broken. Therefore many GDR enterprises must employ an almost unimaginable number of people who perform only repair work. In addition, these obsolete machines

and installations use much too much material and energy, and that leads to further shortages. This also applies to the labor force.

SPIEGEL: Let us assume you would be hired as economic policy adviser of the GDR leadership. Where would you begin in order to eliminate such defects?

Cornelsen: I would start with political reforms. Overly hasty economic reforms are not what the GDR needs. The Soviet Union and Poland do not set convincing examples. At the moment the GDR population actually needs only the feeling that there is the willingness of the political leadership to cooperate with it and together to find a way out of the crisis.

SPIEGEL: That would be enough to calm the population down?

Cornelsen: The motivation in the country would change overnight. It seems to me that, of all the problems existing in the GDR—and there are a great many of them—a lack of motivation is the greatest. If 1 percent of all working people leave, that is bad only if the remaining 99 percent also are no longer inclined [to work].

SPIEGEL: Could their inclination not be increased by better pay according to performance?

Cornelsen: In the GDR there is very little difference between lower and upper incomes. High quality performance is not sufficiently rewarded. And he who has money cannot buy with it what he would like to have. The wage and salary system as well as the lacking supply lead to lacking motivation. Neither one can be changed very quickly. Therefore, motivation must be raised politically.

SPIEGEL: What is so difficult about introducing more performance incentives in the enterprises?

Cornelsen: The small difference between lower and upper incomes was a political intent. But meanwhile the GDR government is rethinking whether that is still meaningful, and it is possible that something will change. The other part, namely producing more consumer goods, is much more difficult. In the GDR everybody has food to eat—mostly even too much—and all are quite well supplied with clothing. But anything beyond that does not exist: a wide range of goods, quality, modern and fashionable products. That is why the motivation to do more is lacking: What to do with the extra earnings?

SPIEGEL: Why is the GDR industry unable to offer sufficient consumer goods?

Cornelsen: Because the GDR adopted the Stalinist system of planned economy. In the 40 years of its existence, the GDR has not managed to make this planned economy efficient. This is empirical proof that planned economy is nonsense. After all, the people in the GDR are capable, as are the skilled workers, [and] the scientists, also.

SPIEGEL: The GDR likes to point to its enormous growth rates. GDR economists claim that their national per capita income has risen by 120 percent between 1970 and 1987, that of Japan by only 73 percent, and that of the FRG by only a mere 44 percent. In the first half of this year, the GDR with 4 percent presented a growth rate which is very respectable compared to international levels. Are all those figures forged?

Cornelsen: One thing is certain: The GDR actually has growth, and it has achieved something. If you compare the GDR at the beginning of the 1970's with that of today, particularly East Berlin, you will note that much has actually improved. Households are better equipped, industrial production has increased.

SPIEGEL: If the figures were correct, the GDR would soon catch up with the FRG.

Cornelsen: All GDR-researchers in the FRG are agreed that the State Central Administration for Statistics does not consciously fake or manipulate these figures. The problem lies in the statistical method of price adjustment. For new, better products there are no comparable prices from earlier times. For this reason, slightly improved products are declared new products and enter the statistics with the new prices.

SPIEGEL: With the high share of new products in the overall production, the GDR would have to be one of the most innovative countries.

Cornelsen: Certainly, but you can imagine how that goes. I once visited a factory producing heavy machinery which allegedly had 38 percent of new products in its program. But to me, the products from last century which were hanging on the wall in the conference room seemed to be pretty identical to those produced today. How the enterprise arrives at an innovation rate of 38 percent—that is simply the art of the head bookkeeper.

SPIEGEL: The economic managers of the GDR like to brag about their successes in microelectronics....

Cornelsen: ...which actually are very impressive. But from it, they had expected an enormous thrust for the entire economy. And they are still hoping for it.

SPIEGEL: The GDR invested 14 billion marks in this prestige project. That probably was at the expense of other areas which were correspondingly neglected?

Cornelsen: The GDR has always attempted to be largely autarkic, that is, to produce everything themselves. Up to a point there was no other way, because there was a lack of dependable suppliers in the East, and a lack of foreign currency for purchases in the West. But such a policy cannot be sustained, particularly not in a country with only 17 million inhabitants. If one then concentrates on priority areas such as microelectronics, other areas must perforce be neglected. And that is noticeable.

SPIEGEL: But now, with the start of political reforms in the USSR, there would be the opportunity to correct

such historically evolved wrong developments. Or do you see the danger that, as in the Soviet Union, the supply situation will at first become much worse?

Cornelsen: True economic reforms are a great risk. One must expect that, at first, there will be chaos for awhile and that successes will come only slowly. Hence the hesitant attitude of the GDR is understandable. But without reform, disaster also strikes. The GDR only has the choice to have chaos quickly and then to overcome it, or to postpone it. And then it will be even worse.

SPIEGEL: So one should commit as soon as possible the cruelties of a reform, such as closing unprofitable enterprises and decontrol of prices?

Cornelsen: The major problem of all reforms is that initially they are very painful. That was seen in China where, after decontrolling prices, high inflation rates and social tensions occurred, and for fear of a similar development, price reform in the Soviet Union has been postponed to the mid-1990's. In the FRG, also, after the currency reform [in 1948] at first enormous price increases occurred, until production started up and the supply of goods was raised.

SPIEGEL: So reforms should not be introduced piecemeal, but all at once?

Cornelsen: The planned economy must simply be done away with in those sectors where it is totally nonsensical.

SPIEGEL: Are there any areas at all in which a planned economy is sensible?

Cornelsen: I believe that it is quite advantageous in housing construction, possibly also in the energy industry and microelectronics.

SPIEGEL: Why especially in microelectronics?

Cornelsen: Everywhere in the world we have enormous enterprises which to a considerable degree operate with public funds. But in the mechanical engineering sector and in the consumer goods industry, for instance, this organizational structure is certainly wrong. There the combines must be dissolved.

SPIEGEL: So, away with planned economy, in most sectors at any rate—and what comes then? Socialist market economy? Does that even function? We don't know yet of any practical example of it.

Cornelsen: Now you will surely cite right away the phrase: One cannot be just a little bit pregnant.

SPIEGEL: One of the leading GDR economists, Prof Otto Reinhold, says: We cannot introduce one-eighth or one-quarter of capitalism and organize the rest in a socialist way. We will then be forced to introduce more and more market-economy elements.

Cornelsen: Yes, he has said this many times, and it always made me angry. Capitalism, says he, cannot be adopted piecemeal, but only en bloc, and we don't want

that. That is just as wrong as the claim by our neoliberal economists that a bit of planned economy in our economic system would finally overgrow and crush the entire market economy.

SPIEGEL: So elements of planned economy and market economy can readily be combined?

Cornelsen: Just consider what varieties of capitalism we have here in the West, in the United States, in the FRG, in Sweden. I am certain that in socialism, also, many combinations of planned economy and market economy elements are possible. Besides, planned economy is not at all an indispensable component of socialism. Socialist ideas are very visionary ideas of a world free from exploitation, in which people can live in security and have the same starting chances. These are certainly basic elements of socialism, but not planned economy.

SPIEGEL: In theory, socialism is certainly more attractive to many people than is capitalism. But in practice, capitalism clearly has the greater power of attraction.

Cornelsen: Some opinion polls show that the GDR population does acknowledge certain so-called achievements of socialism, that it does approve of socialized property, that it appreciates social safety, and also the educational system. The only thing in the GDR economy which is nonsense is the total planned economy.

SPIEGEL: The so-called socialist achievements consist above all in supplying the population with cheap basic foodstuffs, apartments, public means of transportation, and free health service. That, however, requires enormous subsidies from the state budget. In Poland, the Soviet Union and other East bloc countries the governments try to reduce these price subsidies because they simply can no longer be financed. How much longer can the GDR afford these achievements?

Cornelsen: The price subsidy chunk has meanwhile grown to about 20 percent of total state expenditures. And some GDR economists admit that this system is economically nonsensical because it leads to the squandering of cheap basic foodstuffs. But it is considered a core element of GDR social policy which is not to be given up. GDR economists argue that only in this manner can the economically weakest be prevented from falling below the poverty line.

SPIEGEL: With direct payments one could help the lower income groups much more purposefully—and more cheaply on top of that—than by lowering the price of bread and potatoes through subsidies.

Cornelsen: Yes, the social policy effect of price subsidies is very questionable. Basic supplies are cheap, but in turn higher quality consumer goods are all the more expensive. For after all, the state must somehow get back the money which it spends on price subsidies. So people can buy cheap bread, but they are unable to afford the coffee to go with it.

SPIEGEL: Above all young people in the GDR are very annoyed that the supply of private cars is so scarce, bad, and expensive. In the FRG the car has meanwhile become a basic supply item; a GDR citizen, on the other hand, must be glad when he finally is issued a Trabi—a car that actually belongs in a museum, not on the street. Why is the difference so extreme between the supply of cars here and in the GDR?

Cornelsen: The GDR leadership has for many years deliberately neglected the automobile sector. Under Ulbricht, the car was seen as a capitalist product which was not to be promoted under socialism. Instead, public means of transportation were to be developed to such a degree that nobody would need a car.

SPIEGEL: Well, that apparently failed thoroughly.

Cornelsen: Yes, the infrastructure of the GDR is very bad in this sector in particular. But even if the public means of transportation in the GDR were outstanding: For many people, a car is something particularly attractive. They would rather travel in their own car than on the bus.

SPIEGEL: And why, so many years after Ulbricht's death, is the Trabi museum piece still around?

Cornelsen: That is probably not only due to the fact that GDR industry in general has a hard time getting innovation processes started. It seems to me that here we also have a management problem.

SPIEGEL: Does that mean that particularly inept managers are assembled in the GDR's automotive industry?

Cornelsen: I am afraid so.

SPIEGEL: Then why were people not at least given permission to import used cars, for instance from the FRG?

Cornelsen: Basically it isn't all that difficult in the GDR to get a new car. The automobile market there in the meanwhile has been organized in a very cute fashion. A well-managed GDR household naturally has several applications for a car in the works, from grandparents to parents and adult sons and daughters. These applications are timed in such a way that every 3 to 4 years a new car is due. The old car can then be sold on the used car market at a price as high as that for the new car.

SPIEGEL: So it isn't all that bad with a 15-year waiting period for a new car?

Cornelsen: A well-organized household doesn't have to wait that long.

SPIEGEL: But what does a single person do?

Cornelsen: For him it is difficult, of course. That is what is so annoying for young people, that they can calculate: At the age of 35 I'll get my first new car.

SPIEGEL: Compared to other socialist countries, the GDR has very low foreign indebtedness. Why does it not use its credit leeway in the West to modernize industry through imports of machines and installations?

Cornelsen: Probably bad experiences from the early 1980's are still having their aftereffect. Like the partner countries in the East, the GDR also ran up debts very rapidly, although by no means as much as Poland, Hungary, or Romania. In 1981, Poland and Romania became practically insolvent, and to the dismay of the East Berlin leadership the Western banks immediately lumped the GDR together with Poland and Romania. Suddenly there were no more continuation loans, and the GDR found itself in a most difficult situation because it had to repay its debts rather abruptly. To this day the GDR leadership is still shaken by this shock of 1981-82 so that it is reluctant to obtain more loans from the West.

SPIEGEL: When it comes to loans for the GDR, there are two schools of thought in the FRG. One argues: We must not support these blockheads with Western money. The other says: We must help them so that everything there does not break apart—with unpredictable consequences for East-West relations. How do you see it?

Cornelsen: I believe that the West, all of Western Europe, will not be able to avoid helping Eastern Europe, and very massively at that.

SPIEGEL: But some here in the West want to choose between reform-oriented forces and recalcitrant ones.

Cornelsen: That, for example, can be seen in the trade agreements which the EC concluded with Hungary, the CSSR and Poland. One should not divide Europe into West and East, and then splinter Eastern Europe into several other pieces. That makes everything even more chaotic. I am of the opinion that Western Europe should not make economic cooperation and aid dependent on good political behavior.

SPIEGEL: The EC wants to help Poland and Hungary with DM600 million each during the coming year. Is this not as if one wanted to restart a stalled car with a drop of gasoline?

Cornelsen: Yes, it almost looks that way. These funds simply trickle away if they are not tied to a project.

SPIEGEL: Do you expect that, after the Honecker era, reformers will take over the reins in the GDR?

Cornelsen: I am not a clairvoyant. But I know that the GDR has a great number of good people—even in the SED—who have developed ideas about what should be changed.

SPIEGEL: Do you already see a German Gorbachev in the starting line?

Cornelsen: No. But it cannot be ruled out that in the GDR, also, such a man may rise to the top. After all, we had no idea when Gorbachev came to power what kinds of things he would get into.

SPIEGEL: Mrs Cornelsen, we thank you for this conversation.

Low-Paid Industrial Production Causes Worker Apathy

90EG0011A Munich SUEDEDEUTSCHE ZEITUNG in German 5 Oct 89 p 34

[Article by Klaus Kloeppel: "Low-Paid Production and Little Hope for Change Increase Worker Apathy"; first paragraph is SUEDEDEUTSCHE ZEITUNG introduction]

[Text] The author of this article is a free-lance journalist in Berlin. He also works for the trade union publication "Metall." He is a specialist on the GDR and this September he followed an invitation by the FDGB (Free German Labor Union Federation) to visit the collective machine building combine "Fritz Heckert" in Karl-Marx-Stadt (the former Chemnitz). He soon will publish an article in "Metall" about his visit.

Karl-Marx-Stadt in Fall 1989—Imagine Mercedes boss Edzard Reuter being a member of the general company council. What seems impossible to us, is nothing out of the ordinary in the state-owned companies of the GDR. Matthias Koehler sees no conflict in his being vice president of the combine "Fritz Heckert" in Karl-Marx-Stadt as well as a member of the company's central trade union leadership. He explains that both company management and trade union members appreciate "healthy production increases and the fulfillment of quotas."

Whoever wants to understand trade unions in the GDR has to discard preconceived notions. Let's take strikes as an example. A trade union official in the GDR cannot imagine the possibility of a strike, because at least in theory the company belongs to the workers, and who would call a strike against one's own interest?

Workers, though, have a more realistic outlook. In the preassembly division of the Karl-Marx-Stadt machine tooling factory, workers were asked if they felt they owned the factory. Shop steward Hilmar Grimm was quick to say: "Have you ever seen an up-pour?"

In theory, workers' collectives discuss all production plans, but shop steward Grimm says that in practice figures are predetermined and get rarely adjusted downward. "Production numbers increase every year, but wages don't," he notes critically. This causes resentment and as a consequence, "people grow more indifferent all the time."

'Problems Everywhere'

When "Fritz Heckert" talks of new plans, it means increased production. Machine tools manufactured in Karl-Marx-Stadt are in demand in East and West alike. President Koehler claims a production increase of 10 percent annually for the past 2 decades.

Consequently, plans for the "Junior Brigade Willi Reinl" call for an increase of 10 percent in machine manufacturing for 1990. Young skilled labor is already complaining about working conditions. They want to turn out quality products, but "it isn't easy." It becomes increasingly difficult to get tools, because state-owned machine tooling factories cannot meet deadlines. Product quality is not what it once was either.

A young worker says, that "under such conditions, we really should reject the plan," but then he says, "what good would it do." So, we all agreed without complaining.

Worker legislation in the GDR guarantees workers and their trade unions an extensive say in the companies they work for or represent. But many workers don't seem to know their rights or they have learned that criticism doesn't bring much.

Problems on the Job

For years and years, the brigade "Willi Reinl" has demanded better protection on the work place. During the glueing process epoxy resins set off poisonous fumes. Many colleagues complain about skin rashes and headaches.

So far, the junior brigade has waited in vain for the installation of a requested exhaust system. For months now a new system has been sitting in the area where the glue is stirred, but it is not working, probably because something minor such a charcoal filter is missing. A colleague says that workers have complained to their superior again and again, but "there comes a time when you just plain grow tired of it."

Today, the young workers are meeting their top trade union representative for the first time. Rainer Schleicher has chaired the company's central trade union leadership (ZBGL) for the better part of 2 years, but today he hears for the first time of the junior brigade's problems. He promises to drag the head of the technical division to the next trade union meeting and gives advice on what to do in the meantime.

It is understandable that trade union representative Schleicher cannot be familiar with all divisions of the company. As ZBGL boss, the 48-year-old lathe operator is responsible for a diversified combine of 30,000 workers. The Karl-Marx-Stadt parent factory with its 4,500 workers alone has 18 trade union sections and 181 trade union groups. In addition there are commissions for youth, women, labor protection, vacations, recreational leave, etc.

Manifold Social Tasks

In addition to committee and administrative work, trade union officials have to perform certain social tasks. ZBGL member Eberhard Berger says that workers are chaperoned "from the cradle to the grave." This year, the factory in Karl-Marx-Stadt allots more than M 7 million for social and cultural services—that amounts to an average of about M 1,600 per worker. Such expenditures are exhaustively detailed in the company's collective labor contract that is negotiated yearly between ZBGL and management. Factory meals are subsidized by more than M 1.3 million. A warm meal in the cafeteria costs anywhere between M 0.80 and M 1.20. The factory clinic costs is funded by half a million marks a year. The Heckert company finances several athletic groups ranging from league soccer to tennis to bowling with a handsome M 800,000.

The firm also finances two sizable hotels and several single-family vacation homes. Vacations at these places are subsidized with M 1.8 million from a fund reserved for cultural and social services. A worker has to pay about M 200 for a 2-week vacation—all meals included. There is enough room for a third of the entire labor force; slots are allotted by 28 trade union run vacation committees. Decisions are made according to social criteria such as how demanding a job is and how diligently it is performed. Eventually everybody will get a turn, and this prospect alone was enough reason for many of the 9.6 million trade union members to join.

Many colleagues are taking the yearly increases in the kind of services that are financed by the social and cultural fund for granted in very much the same way as they rely on the various bonus payments of M 5.6 million that Heckert pays out every year. Such bonus payments are quite important for the GDR's working population. The average base salary for skilled labor is about M 800. An added bonus will yield a gross income of M 900 to M 1,000.

Other important perks include a paid personal day and free day care for children. Workers also have come to expect advance notices of at least one, sometimes 2 years in case of labor saving plans, so they will have enough time for retraining.

Grimm says that such advantages reduce the clout of unions. "Trade union leadership has no choice but to go along with management," he says. He adds that workers' collectives are increasingly talking about strikes to push through their demands.

Time for Reflection

Current developments have even high trade union officials worried. They wonder if they should try harder than ever before to address the causes that lead to discontent. So far, though, trade union activities have undergone no significant changes in the GDR, quite unlike those in other socialist countries.

Without an okay "from higher up," company trade union leaders are unwilling to move too fast. ZBGL boss Schleicher is quick to criticize how the GDR media have covered the recent mass exit and he eagerly awaits a discussion probing its origins. But for now he is content to pass on monthly reports to his higher-ups in which he describes the mood among the workers "as it really is."

Nutritional Standards, Availability of Farm Produce Detailed

90EG0023A East Berlin

WIRTSCHAFTSWISSENSCHAFT in German

No 9, Sep 89 pp 1336-1348

[Article by Helmut Gross and Hans-Olaf Schneider:
"Efficiently Satisfying Nutritional Needs"]

[Text] Starting from the nutritional standard achieved in the GDR and the extensive, but always limited social and individual expenditures required to ensure that standard, further progress in satisfying nutritional needs, which are growing primarily in qualitative terms, can essentially be achieved only by increasing efficiency.¹ The reason for this is that not only do nutritional needs demand satisfaction that is adequate to the modern status of productive forces; rather, those needs that in the past have not been adequately satisfied, as well as completely new ones, demand societal recognition and ever better satisfaction. This situation, resulting both from the internal development requirements of nutritional need and from requirements due to developments in the overall system of needs, calls for intensive reflection about ways to achieve increasing efficiency in satisfying nutritional needs. These ways, for the present and in the future, are defined first and foremost by the requirements of comprehensive intensification.² Thus, in the national economic nutrition complex, the main way to achieve rising efficiency in the long run is to better link the advantages and driving forces of socialism with the modern achievements of the scientific and technical revolution.³

Development of the Nutritional Standard

It must be emphasized that increasing efficiency in the national economic nutrition complex must be measured not only in terms of a more efficient exploitation of the resources in use, but also in terms of the rising level of satisfaction of nutritional needs. At the same time, nutritional need as an object of economic research is not a rigid need, but rather a dynamic need of biological origin that shifts within the context of historic-concrete developmental directions in the needs of man. Because of this, the criteria for assessing nutritional standards are also dynamic.

The nutritional standard is characterized by the objective aspects of satisfaction of nutritional needs. As part of the standard of living, it expresses the quantity and quality of satisfaction of nutritional needs based on:

- the means of their satisfaction,
- the conditions under which they are satisfied
- the results of their satisfaction, in the form of the nutritional situation and socioeconomic consequences.

The results that are particularly important to assessing the degree to which needs have been satisfied are on the one hand objective values, since they represent the necessary result of a particular means of social transaction under concrete, objective conditions (means and circumstances). On the other hand, they are in fact the result of a combination of objective factors (means and circumstances) under the concrete influence of subjective transactions in the form of the individual's nutritional behavior.⁴

Satisfying nutritional needs is accorded a position in keeping with its great economic, social, and political importance in the policies of the SED [Socialist Unity Party of Germany]. Thus, the nutritional question as a social problem has long since been resolved in the GDR. It is an important achievement of socialist development in the GDR that nutritional needs in all social strata are satisfied at a high standard. As an important component of the standard of living, increasing the nutritional standard is one of the important tasks of social policy in continuation of the policy of the primary task following the 11th Party Congress of the SED, and is thus of major national economic relevance for the future as well.⁵

Despite a gradual weakening in its historical position as a reflection of the development of productive forces, in conjunction with changing proportions among needs, nutritional need even today remains of high priority. This relates to both ensuring the standard achieved and in particular qualitatively expanding it. Satisfying it continually and with due regard for growing demands is of paramount political importance in the further shaping of the developed socialist society in the GDR.⁶

The primary directions of growth in nutritional needs are first of all the rising standards of the use-value of food, especially with regard to:⁷

- improved sensory properties,
- greater freshness and ability to stay fresh longer,
- increased consumer maturity,
- special properties for specific consumer groups,
- improved nutritional properties
- improved product-related information.

The second direction of growth involves increasing qualitative demands made of the organizational structures of food circulation and consumption. The development of the nutritional standard must be measured primarily on the basis of how these primary directions can be fulfilled.

Without being able to provide a detailed analysis here of the development of the nutritional standard in the GDR, we would like to emphasize several particularly important aspects for the future. These aspects are as follows:⁸

- a) The internationally remarkable development in the per capital consumption of food (cf. Table 1), which in the past decade and a half has shown sharp increases in all animal products, especially meat and meat products, and thus a high level of consumption. For a number of

plant foods, such as fruits and vegetables, per capita consumption has also increased clearly, although this has been subject to clear fluctuation. Finally, a sharp increase in consumption of alcoholic beverages results in its growing influence on the nutritional energy balance.

Table 1. Development of Per Capita Consumption by the GDR Population for Selected Food Groups

	Per Capita Consumption 1987	
	1970 = 100	Absolute
Meat and meat products	150	99.4 kg
Pork alone	164	63.5 kg
Eggs and egg products	127	303
Milk and milk products (excluding butter, milk value)	120	245 kg
Nutritional fat (fat value)	89	24.7 kg
Fruit, total (fresh value)	106	58.8 kg
Vegetables, total (fresh value)	120	102.0 kg
Sugar and sugar products	119	40.8 kg
Flour and cereal products	102	99.0 kg
Fresh potatoes	96	147.2 kg
Alcoholic beverages (100-percent alcohol)	175	10.7 l

Source: Own calculations based on data in the "Statistical Yearbook of the GDR 1988," Staatsverlag der DDR, Berlin 1988, p 292.

b) The high level of dynamics in the average intake of food energy and basic nutrients among the entire population, as derived from per capita consumption (cf. Table 2), which in comparison to nutritional recommendations in 1987 resulted in excesses of:

- 38 percent for food energy
- 20 percent for protein
- 58 percent for fat
- 13 percent for carbohydrates

as well as an adequate supply of minerals and vitamins on the average, but which could stand further improvement, especially for certain vitamins and minerals in terms of continual availability and for certain population groups in terms of a perpetually adequate supply.⁹

Table 2. Developments in Average Intake of Food Energy and Basic Nutrients for the Entire Population (1970 = 100)

	1975	1980	1985	1987
Food energy	104	111	114	116
Protein	107	114	122	124
Fat	103	111	113	114
Carbohydrates	102	106	109	110

Source: Own calculations

c) Nutritional imbalances, such as:

- excessive salt intake,
- excessive cholesterol intake,
- inadequate intake of roughage,
- excessive intake of saturated fats.

The following socioeconomic results and consequences are worthy of emphasis:

1. The contribution made by the satisfaction of nutritional needs to pleasure and the enjoyment of life, but also to creating free time to satisfy an increasing range of needs, can and must be increased. A key role in this is played by expanding the variety of foods, and not only in the area of delicacies. It must better fulfill the main directions in the development of nutritional needs as named above, and be reflected more quickly in new and qualitatively improved foods, including basic items. Table 3 refers to a use-value and quality development for food products that has moved too slowly in favor of a prioritized increase in volume.

Table 3. Development of Per Capita Retail Turnover in Food for the Population of the GDR and per 1,000 kcal Ingested (1970 = 100)

	Retail Turnover in Food	
	Per Capita	Per 1,000 kcal
1975	118	115
1980	136	126
1985	152	136
1987	160	142

Source: Own calculations according to data in the "Statistical Yearbook of the GDR 1988," loc. cit., pp 1, 234.

2. The nutritional situation as outlined is similar to that in other developed countries and impairs the health and capabilities of part of the GDR population. While the majority of people are increasingly consciously using nutrition to promote their health, it is estimated that around 30 percent of the population is adipose (obese) as a result of a temporary or continual imbalance between food energy intake and concrete energy need.¹⁰ This increases the risk of diet-dependent illness. Moreover, other forms of individual malnutritional behavior have a promoting or eliciting effect on many diseases. If in the FRG, which faces similar problems with respect to the nutritional situation and its effects on the health of the FRG population, it is reported for 1980 that 59 percent of all deaths are related to diet-dependent diseases,¹¹ then this order of magnitude probably applies to the GDR and other developed, industrialized countries as well.

3. The health impairments have far-reaching economic consequences. At present, an estimated M 2.5 billion a year is spent from the state budget on treating such diseases. At least M 1.5 billion of national income may be lost due to additional adipositas-related worker disability alone, not including absence due to other forms of malnutrition and individual losses of income.

Satisfying Nutritional Needs—Significant Economic Factor in the National Economy of the GDR

Besides knowledge of the achieved nutritional standard, an examination of national economic expenditures and their development is also necessary in order to explain ways of increasing efficiency in satisfying nutritional needs. Thus, the national economic dimensions should be outlined as a thesis in several points:

a) Satisfying nutritional needs is one of the most important preconditions for reproduction of the social working faculties.

b) At around 40 percent, the food fund is by far the largest part of the total end product for consumption¹² and will continue to constitute a large—although decreasing—share of it in the future as well.

c) The social expenditure (as well as the individual household expenditure) on satisfying nutritional needs is almost as high as that for all the other consumption need complexes combined.¹³

d) Viewed over a long term, this high social expenditure is in the process of rising.¹⁴ The rise in expenditures has in part to do with the consumption development as outlined, especially the sharp increase in animal products, which are clearly more expenditure-intensive than plant products, but it also has to do with luxury items and beverages.

e) Nutritional needs on the whole, compared to all other consumption need complexes, are more expenditure-intensive with respect to all types of expenditure (with the exception of energy expenditures).¹⁵ It requires a large portion of the raw materials produced domestically, is more material-intensive than average, and is associated with considerable losses in all phases of the reproduction process.¹⁶

f) The high degree of urgency accorded nutritional need with respect to ensuring and further expanding the achieved nutritional standard results in discernible strains on the foreign trade balance in the event of inadequate domestic production of agricultural raw materials.

g) With a share of goods purchases of around 50 percent, food ties up a significant part of the purchasing power of the population, which also results in special significance for realization of the socialist principle of work performance. It must be emphasized that providing extensive price supports is closely linked with the development of retail turnover in foodstuffs as a component of the sociopolitical program of the SED. In the 1980's, these supports have clearly developed more quickly than retail turnover in foodstuffs, so that in 1986, M 85 in price supports were provided per M 100 in retail turnover in foodstuffs (compared to M 24 in 1980).¹⁷

Current Tasks for Increasing Efficiency in Satisfying Nutritional Needs

Further development of the nutritional standard in the GDR is linked to realization of the economic strategy of the 11th Party Congress. Not only the high level of the nutritional need, but also the extensive resources utilized to satisfy it, justify stating that this is one of the most important areas of national economic reproduction.¹⁸ For this reason, an increase in efficiency in satisfying nutritional need promises to bring with it sustained effects on the development of efficiency in the entire national economy. In conjunction with comprehensive intensification, the following important tasks have emerged:

- further increase in the nutritional standard through qualitative growth,
- decrease in the high level of resource commitment in the national economic nutrition complex,
- increase in the contribution to efficiency made by individual phases and elements of the nutrition-economy reproduction process,
- perfection of management and planning.

On a Further Increase in the Nutritional Standard Through Qualitative Growth

In conjunction with continuing the policy of the main task of the GDR, which is oriented towards gradually improving the standard of living, the nutritional standard will also rise further. However, this growth cannot, as in the past, be of a primarily quantitative nature; rather, it must be primarily qualitative growth against the background of the volume of consumption achieved and of the social and economic consequences of that consumption. This presupposes that the dynamic process of expanding variety, which is necessary in the total national economy, based on greater refinement of the raw materials used does not stop at food and comprises all assortment ranges, including the basic assortment. In this way, it must be possible in the long run to change the structure of food consumption. These changes, which must be pursued both between the food groups in favor of foods that can have a positive influence on the nutritional situation (such as fruits and vegetables) and within the food groups in favor of food that is qualitatively better and has an improved use-value, take into account not only the growing need for pleasure, more leisure time and other factors; at the same time, they are well-suited for having a positive influence on the nutritional situation and the socioeconomic consequences associated with that.

However, the requirement of achieving the goals to be pursued for the sake of the national economy alone does not provide adequate business motivation for food producers to engage in a drastic expansion of variety. To achieve this in the long term, it is primarily necessary to solve the economic problems that result from the stability of consumer prices for basic foodstuffs on the one hand, and, from the expenditures—which under the given material-technical conditions are generally on the

rise—for use-value and quality-improved food on the other. The path taken with the variety of delicacies, supplementing the dominant social aspect with output-stimulating aspects in determining consumer prices for food, is a step in this direction, although in expanding the basic variety of foodstuffs this encounters limits.

To maintain a stabile, low price level for a basic variety oriented toward improvement of use-value and quality, at least two complex problems must increasingly be solved with the help of key technologies. On the one hand, a reduction in ongoing expenditures for the production of traditional as well as more highly refined food of the basic variety must be ensured through scientific-technical top-level performance. This places heavy demands first and foremost on basic research in the food sciences and on the transfer of its results into industrial processes. Secondly, the high one-time expense resulting from this must be limited or minimized by broadly applying well-developed technological processes, through which their technical bases can be produced in the national economy with a high degree of efficiency. In order to make up the necessary one-time expense, possibilities available in the nutrition complex itself, such as reducing high losses, should be exploited more consistently.

A rising nutritional standard ultimately does not presuppose a conscious contribution by the individual. Thus, the interaction between the objective and the subjective sides of developments and of the satisfaction of needs must be reflected, with respect to nutritional needs, even amidst increasing social efforts to provide information with regard to nutrition that promotes health and output. Still, it is important to emphasize that despite growing social efforts to achieve better material and ideological preconditions for nutrition that promotes health and output, each person, through his individual manner of eating, ultimately decides on the success of these efforts. Even today, all the objective preconditions are present for each citizen of the GDR to eat a healthy diet, if he consciously takes advantage of the existing possibilities. At the same time—and this is not in contradiction to the previous statement—the dynamics of nutritional needs and their contradictory internal structure demand that the necessary unity of pleasure, making work easier and health must be taken into greater account in expanding the variety of food as a national economic task.

On a Long-Term Decrease in the High Level of Resource Commitment in the National Economic Nutrition Complex

Through measures of scientific-technical progress, the high and, as a trend, increasing national economic expenditure on satisfying nutritional needs must be decreased, and detrimental developments in the ratio between the end product for nutrition and the expenditure in living and concretized labor necessary for that must be improved.

Of paramount importance are scientific-technical, economic and organizational measures to decrease the inordinately high material intensity in the areas of food production. In principle, three integrated paths should be pursued simultaneously here:

a) Saving material by better utilization of existing and potential possibilities for the social division of labor, for combination and for production organization at an essentially stabile level of use-value of the produced food. These measures range from better standardization of material consumption to reducing material losses. Their application is necessary regardless of the achieved scientific-technical level of production, although their significance to material-economic overall effects will decrease in perspective;

b) Saving material on the basis of its (higher) refinement by applying internationally known resource-saving technologies, such as extruder technology, membrane separation and instrumentation and control technology. The combination of existing working tools with new technologies by modernizing and rebuilding brings with it increasing effects of expanded reproduction with means of simple reproduction;

c) Material savings on the basis of highest refinement, through generally new, resource-saving technologies that utilize the natural resources so as to improve use-value, which means key technologies. In the nutrition complex, biotechnology and closed material circuits in combination with other key technologies are clearly in the forefront. It is important to exhaust the possibilities that have arisen in recent years for applying biotechnology in particular to the nutrition complex of the GDR more consistently, rapidly and effectively in order to increasing national economic performance.

The economic effects resulting from a) and b) considerably expand the material-technical latitude for introducing the key technologies.

On an Increase in the Contribution to Efficiency Made by Individual Phases and Elements of the Nutrition-Economy Reproduction Process

This very comprehensive complex of tasks is intended to be restricted here to the formulation of those tasks that are of critical significance to the efficiency of reciprocal integration in the national economic nutrition complex. From this viewpoint, it is of primary importance for agriculture, in terms of the necessary increase in raw material production and of ensuring a structure of availability in keeping with needs, that the raw material quality necessary for further processing into food with improved use-value be ensured.¹⁹ Only on this basis can expanding the variety of food be managed by refinement in the processing sphere. The reasons that progress in this area has been so slow thus far are:

- a generally differentiated, often substandard technical level of equipment, and associated outdated technologies;

- relatively low investment strength by the processing domain. In its effect on the refinement process, it is diminished by the need to ensure simple reproduction in existing lines and to overcome disproportions between main production processes and transport, transshipment and storage processes.
- inadequate potential by the foodstuff machine-building industry to provide the necessary equipment, accompanied by an unsatisfactory status of its own ratio frontage;
- inadequate potential by its own cadre for the development and transfer phase and a lack of technical colleges for transferring results of basic research into process research;
- inadequate technical possibilities for quickly determining raw material qualities.

Besides improving solutions to these questions, there are further tasks in conjunction with the necessary expansion of variety:

- The goals for expanding variety must be derived to a great extent from the concrete nutritional situation.
- The processing sphere must have a more effective influence on reducing losses in consumption.
- The food supply must better reflect overall growth and greater differentiation in needs, and thus accord greater effectiveness to the socialist principle of work performance.
- The food and foodstuffs industry must create better preconditions for more effective production of prepared foods in the area of the social food economy.
- Special efforts are necessary to reduce the high level of material intensity.

In the area of the social food industry,²⁰ ensuring a need-oriented supply of qualitatively high-value, warm main meals and interim provisions while preserving high-class dining conditions requires:

- greater integration of this area into the overall nutrition complex and better attention to its specific needs by the food production sector;
- increasing labor productivity on the basis of a higher degree of prefabrication and improving the material-technical basis and the qualification level;
- perfecting management, planning, and economic accounting in this area.²¹

For the food trade, the following tasks are in evidence from the viewpoint of the efficiency of the overall nutrition complex:

a) determining precisely at each concrete time the need for the respective territory and on the basis of developments in the nutritional need and undertaking long-term need assessments in conjunction with the food industry as the basis for refinement plans;

b) effectively guiding and influencing the need, in accordance with internationally established product developments and national economic possibilities, as well as on the basis of the existing nutrition situation;

c) actively and decisively promoting the process of far-reaching expansion of variety by refinement, by effectively introducing new foods through an active sales strategy, besides an exact determination of need.

From the understanding of efficiency as a category of reproduction²² and from the position of consumption in the socialist reproduction process comes the need to further analyze and better utilize the role and powers of consumption in increasing efficiency in the national economic nutrition complex. In conjunction with increasing the contribution of consumption to efficiency, questions such as the following arise:

- ensuring pleasure and enjoyment of life,
- more leisure time, social convergence, and equal rights,
- an effective contribution to preserving human health and to shaping the human environment,
- better utilization of the principle of work performance,
- a decrease in losses,
- a change in the food consumption structure,
- better utilization of the advantages of socially organized consumption.

Concluding with the third set of tasks, it is emphasized that growing efficiency in satisfying nutritional needs is always associated with the rational exploitation of the social working faculties. Under the conditions of comprehensive intensification, since the working man does not remain the main productive force as such in the system of productive forces but rather becomes so in the new stage of scientific-technical revolution in a far more effective way, his influence on efficiency developments becomes even greater. Three aspects are of particular interest here:

- the contribution of satisfying nutritional needs to reproduction of the social working faculties,
- the development of full expenditure on manpower for satisfying nutritional needs,
- the rational exploitation of the working faculties in the spheres of the national economic nutrition complex.

On Perfecting Management and Planning

Further improving the nutritional standard, lowering the resource commitment and increasing the contribution to efficiency made by individual phases and elements of the nutrition-economy reproduction process require a further perfection of management and planning for the national economic factors responsible for satisfying nutritional needs. To this end, it is necessary to fulfill the (objectively speaking) increasingly close integration of branches and areas that are involved in ensuring nutrition. Starting with scientifically founded goals for the further development of the nutritional standard, the greatest possible uniformity in action by the management-organizationally autonomous members of the nutrition-economy reproduction process should be guaranteed. With the complex structure and management of

these diverse processes, it is a question of forming a unified national economic nutrition complex as an developed requirement for comprehensive intensification, in order to:

- consider all sides of and successfully resolve the complex questions associated with the transition to primarily qualitative aspects of nutrition;
- consistently pursue a scientific-technical policy coordinated in the overall national economic nutrition complex through concentrating on key problems;
- deploy all the resources used with increasing efficiency for satisfying nutritional needs and for the overall national economy.

Through the formation of the national economic agrarian-industrial complex, important preconditions for accomplishing these tasks have already been created in the GDR. It seems necessary to us to expand this existing core by adding those members of the specialized reproduction process such as the food trade, trades producing food or the social food industry, which despite their major significance in satisfying nutritional needs are given inadequate attention or none at all within the framework of the national economic agrarian-industrial complex. In the interest of a complete view, greater attention must be given to the completeness of vertical lines. After all, the nutritional standard results from the sum of all the members of the reproduction process that are oriented towards nutrition. A particularly direct influence on this is enjoyed by those reproduction members named above, which directly precede consumption or as socially organized consumption belong directly to it. Failing to involve them more in complex observations would do inadequate justice to their power to increase the efficiency of the overall nutrition-economy reproduction process. Thus, the formation of the national economic nutrition complex means close integration of all technologically, organizationally, and economically connected, but management-organizationally autonomous members of the nutrition-economy reproduction process under the aspect of the joint goal of ensuring a rising nutritional standard amidst a highly efficient use of resources. The basic preconditions for this are the goals that can be determined only from an overall view and the coordination of individual economic interests derived from this. To this end, it is necessary neither to change existing management structures nor to create additional management levels. The necessary strategic-conceptual determination of goals and coordinating activity is incumbent upon the central state management and planning organs, because only from their overall position can the necessary proportions within the national economy be structured. Of particular importance here is the principle emphasized by the seventh session of the Central Committee, "It is incumbent on central state management and planning to guarantee that work is universally oriented towards a common goal."²³

In the program method²⁴ anchored in planning law, there already exists in the GDR an established planning instrument for resolving complex national economic

tasks. The program, as a preparatory step, cannot and should not replace planning according to areas of responsibility; rather, it is one of the important preconditions for its qualification.²⁵

Besides the advantages of a goal-oriented national economic approach, a higher quality of proportionality and balance, a higher level of decision preparation on all levels and a better agreement of interests of those forming complexes,²⁶ the formation of the national economic nutrition complex must especially result in better conditions for an accelerated application of science and technology—including the key technologies.

The national economic approach, as expressed in the formation and structure of the national economic nutrition complex, is one of the advantages of socialist production conditions, actively expands the latitude for the development of productive forces and thus favors a faster application of new findings from science and technology on a sustained level. Based on the comprehensive character of the tasks in forming and structuring the national economic nutrition complex, there is an objective growth in the role of central state management and planning organs. Through their coordinating activity oriented toward fundamental questions, an important contribution is made to a "top-priority, overall social goal" formulated by the 11th Party Congress, to realize "the further stable assurance of the people's nutrition on the basis of their own raw materials."²⁷ The planned structuring of the necessary proportions among the areas and branches of the national economy involved proves to be an important precondition for this.²⁸

Footnotes

1. Cf. also K. Groschoff, W. Schulze, U. Thiede, "Social Aspects of Nutrition in Socialism," *WIRTSCHAFTSWISSENSCHAFT*, Vol 6, 1986, p 832.

2. Cf. E. Honecker, "With the People and for the People We Are Realizing the General Line of Our Party for the Well-Being of Man," discussion by the secretariat of the Central Committee of the SED with the first secretaries of the kreis leadership on 12 February 1988 in Berlin, Dietz Verlag, Berlin, 1988 pp 54 ff.

3. Cf. "Report by the Central Committee of the Socialist Unity Party of Germany to the 11th Party Congress of the SED," reporter: E. Honecker, Dietz Verlag, Berlin, 1986, pp 40, 49; W. Felfe, "Our Agriculture in the National Economic Reproduction Process," *EINHEIT*, Vol 4, 1987, pp 300 ff.

4. Cf. H.-O. Schneider, "Social-Economic Categories in the Area of Nutrition—II. On the Content and Context of the Categories 'Nutritional Situation,' 'Nutritional Standard' and 'Means of Nutrition,'" *ERNAEHRUNGSFORSCHUNG*, Vol 4, 1987, pp 97 ff.

5. Cf. "Directive of the 11th Party Congress of the SED on the 5-Year Plan for the Development of the National Economy of the GDR in the Years 1986 to 1990," Dietz Verlag, Berlin, 1986, p 78.
6. Cf. K. Groschoff, W. Schulze, U. Thiede, "Social Aspects of Nutrition in Socialism," loc. cit., p 928.
7. Cf. also W. Dlouhy, "Ideas for Improving Efficiency in the Nutrition Complex," ERNAEHRUNGSFORSCHUNG, Vol 4, 1983, p 94; D. Schilling, "Development and Introduction of New Foods as a Component of Economic Strategy," "On Intensifying Socialist Reproduction," Berlin, 1983, p 8; P. Knoetzsch, "Current Trends in the Supply of Foodstuffs and Luxury Items," ERNAEHRUNGSFORSCHUNG, Vol 5, 1984, pp 149 f.
8. For international comparisons, the nutritional situation of one country is used. This represents the objective situation as evaluated using scientifically grounded recommendations with respect to the average nutritional energy and food intake of the population on the basis of the determined per capita consumption of food, and thus characterizes satisfaction of the nutritional needs in a primarily quantitative-physiological sense.
9. Cf. B. Gassmann, G. Ulbricht, "On the Average Physiological Need of Vitamin C by the Population of the GDR," ERNAEHRUNGSFORSCHUNG, Vol 1, 1983, p 11; B. Gassmann, "Vitamins: Needs and Recommendations," ERNAEHRUNGSFORSCHUNG, Vol 2, 1983, pp 33 ff.
10. Cf. B. Gassmann, H. Gross, M. Moehr, R. Noack, "The Nutritional Situation in the GDR—A Challenge to the Food Sciences and Practicians," ERNAEHRUNGSFORSCHUNG, Vol 3, 1985, pp 65 ff.
11. Cf. K.-D. Henke, C. Behrens, L. Arab, G. Schlierf, "The Cost of Nutrition-Caused Diseases," Verlag W. Kohlhammer, Stuttgart, Berlin, Cologne, Mainz, 1986, p 275.
12. Cf. E. Biebler, "Structure of Consumption According to Need Complexes and Development of its National Economic Expenditure," WIRTSCHAFTSWISSENSCHAFT, Vol 11, 1988, p 1673.
13. Ibid., p 1679.
14. Cf. W. Heinrichs, G. Knobloch, "Production of Consumer Goods and Transition to Intensive Expanded Reproduction—Theoretical Problems," WIRTSCHAFTSWISSENSCHAFT, Vol 7, 1983, p 976; G. Knobloch, H. Roos, "Zu den sozialökonomischen Entwicklungskriterien der materiell-technischen Basis des Sozialismus" [On the Social-Economic Development Criteria of the Material-Technical Basis of Socialism], Akademie-Verlag, Berlin 1978, p 83.
15. Cf. E. Biebler, op. cit., p 1682.
16. Cf. K. Hedrich, "On the Determination and Necessary Reduction of Material-Economy Losses in the National Economic Nutrition Complex as a Requirement for Comprehensive Intensification," Dissertation B, Martin Luther University, Halle-Wittenberg, 1987.
17. If, besides the direct price supports, one includes the subsidies for socialist agriculture, then there were total subsidies of M 103 for every M 100 of retail turnover in foodstuffs in 1986. The share of total subsidies for basic foodstuffs in terms of total state budget expenditures rose between 1980 and 1986 by around one half, and in 1986 reached the level of 15.2 percent (cf. "Statistical Yearbook of the GDR 1987," Staatsverlag der DDR, Berlin, 1987, pp 234, 263).
18. Cf. also K. Schmidt, "Dynamics of Economic Growth in GDR Agriculture During the Transition to Comprehensively, Intensively Expanded Reproduction," WIRTSCHAFTSWISSENSCHAFT, Vol 3, 1986, p 324.
19. Cf. H. Schieck, "Deepening Integration Between Industry and Agriculture—Tasks and Goals," WIRTSCHAFTSWISSENSCHAFT, Vol 3, 1988, pp 328 f.
20. This is intended to include all facilities in which the consumption of food or meals takes place in a socially organized form, including pertinent central food-production enterprises or preparation kitchens. The primary components are the facilities of the hotel and restaurant industry, public enterprise catering, and children and student meals. It also includes the catering facilities of the FDGB vacation service, the clubs of People's Solidarity, cafeterias and hospital meal services, and others.
21. Cf. G. Patze, "A Political-Economic Study of Public Enterprise Catering as a Component of the Social Food Industry, Based on the Example of the VEB [state enterprise] Combine Systems and Equipment Construction, Halle," Dissertation A, Martin Luther University, Halle-Wittenberg, 1986; C. Haupt, "Determining the Efficiency of Enterprise Catering and Care Facilities—Tasks for Perfecting the Management and Planning of Efficiency Development," Dissertation A, "Bruno Leuschner" College for Economics, Berlin, 1987.
22. Cf. W. Heinrichs, "Comprehensive Intensification and Reproduction Theory," WIRTSCHAFTSWISSENSCHAFT, Vol 7, 1984, pp 961 ff.
23. Seventh session of the Central Committee of the SED, "With a View to the 11th Party Congress, Solving the Tasks of the Present," reporter: E. Honecker, Dietz Verlag, Berlin, 1988, p 47.
24. Cf. "Order on the Structure of Planning the National Economy of the GDR from 1986 to 1990, of 7 December 1984, Part A," GESETZBLATT DER DDR, Berlin, 1 February 1985, special issue no. 1190a, Staatsverlag der DDR, 1985, pp 99-108.

25. Cf. G. Jordan, H. Sange, "The Long-Term Planning of National Economic Complexes and Processes Using the Program Method to Realize Economic Strategy in the 1980's." Dissertation B, Martin Luther University, Halle-Wittenberg, 1983, pp 256 f.

26. *Ibid.*, pp 139 ff.

27. "Directive of the 11th Party Congress of the SED...", loc. cit., p 78.

28. *Ibid.*

HUNGARY

More on RABA-GM Negotiations

25000498A Budapest HETI VILAGGAZDASAG in Hungarian 7 Oct 89 p 8

[Text] Ferenc Romvari, technical director at RABA Hungarian Railroad Car and Machine Works, has confirmed earlier rumors that RABA is negotiating with the giant American General Motors Corporation concerning the assembly of Opel engines in Hungary. In a statement to DUNANTULI NAPLO Romvari said that the assembly work would be performed at the new Szentgotthard plant, and General Motors would supply automobiles in exchange for the work. Romvari avoided giving a direct answer to the question of whether the proposed plan concerns the assembly of 200,000 engines. The number of engines to be assembled is one of the most sensitive issues in the negotiations, he said. Any new information from RABA regarding this matter would not be welcome, because negotiations are still in progress. The interview also revealed that the two negotiating parties have signed a secrecy agreement, and therefore nothing can be revealed until an agreement is reached. U.S. Ambassador Mark Palmer announced earlier that General Motors intends to establish an Opel Kadett engine manufacturing plant in Hungary. In this regard the technical director had this to say: "I read the announcement too. It appears that the secrecy agreement does not apply to Mr Palmer."

Various Aspects of Postal Service Law Described

Political Pitfalls in Broadcasting

25000491 Budapest HETI VILAGGAZDASAG in Hungarian 7 Oct 89 pp 68-70

[Article by Zoltan Jakab: "Legislative Proposal Concerning the Postal Service—A Topic Dealt With With Increasing Frequency"]

[Text] Social debate over the new legislative proposal concerning the postal service and telecommunications concluded recently. Seemingly, a law governing the mail, telephone network development, and other telecommunications issues should have no political implications. In reality, however, some topics, such as the briefly worded provision concerning radio and television broadcasting,

involve pivotal issues like state sovereignty, the freedom of the press, and political pluralism.

The National Assembly could restrict the freedom of the press even before it deals with that issue. This paradox could occur in December, a serious consequence of passing the new law concerning the postal service and telecommunications, even if that legislative act takes place in a manner consistent with the legislative law adopted last spring.

Last August the Ministry of Transportation, Communications, and Construction [KOHÉM] released the proposed law—referred to simply as the "new postal law"—for societal debate. Unlike other legislative proposals released for public review, this one was not counter-signed by the Ministry of Justice. If enacted into law, several provisions of the proposal would have significant regulatory impact on the freedom of the press. The same applies to needed provisions not contained in the proposal. Examples of acts or omissions of this nature include the rather densely worded provisions for teletext (picture newspaper) and videotext, and the proposal's failure to address the issue of newspaper distribution.

This problem becomes particularly apparent in the context of provisions governing radio and television broadcasting. One should recall that at present the Hungarian Postal Service enjoys full monopoly over the ownership of radio and television stations and their programming. As a result of this monopoly, the Postal Service is in a very strong position to establish broadcasting tariffs. In the framework of international agreements, the allocation and assignment of broadcast frequencies (radio waves) is under KOHÉM's jurisdiction, while the Postal Service manages the business aspects of such allocations and assignments.

The proposed legislation would abolish state monopoly over broadcast installations. This would mean that organizations engaged in radio and television broadcasting could own their broadcast equipment. From a legal standpoint, this provision would discontinue the broadcasting monopoly held by the Postal Service and its legal successor.

Private corporations, and, to quote the law, "corporations under foreign 'majority' control could broadcast the nationwide programs of Hungarian Radio and Hungarian Television". And, "to become a broadcasting corporation, or to acquire foreign majority control over such corporation," it would suffice "to receive a permit from the Minister of Transportation, Telecommunications, and Construction, in addition to permit requirements specified under separate law." Accordingly, the greater part of the transmission network which broadcasts Hungarian Radio and Hungarian Television programs could be sold even to a single foreign entrepreneur. Therefore, under extreme conditions it would be conceivable that a foreign interest would simply paralyze the Hungarian National Assembly and the government by failing to convey messages to the public.

The explanation accompanying the proposal also says that "the needed broadcast frequencies will be regulated" by law "pursuant to present authority." The published text is rather curt considering the significance of frequency allocations in the framework of adjudication. It delegates the "uniform allocation of available frequencies" under KOHEM's jurisdiction, whereas such allocations are regulated by virtue of international agreements—i.e., which radio waves may be used for what purpose, such as for program broadcasting or for UHF communications by taxicabs. The "assignment" of specific wave lengths, "the determination of their specific use" qualifies as a mere "state function," and is supposed to be regulated on the basis of a council of ministers decree.

The joint implication of the two provisions—for the continuation of "present authorities" on the one hand, and regulation by virtue of a decree on the other—is that the Hungarian Postal Service and its corporate legal successor will have the authority to decide which particular broadcaster may broadcast on a certain frequency—e.g., on 104.04 MHz—and in what propagation pattern. This is not merely a technical issue involving the limitation of frequency availability as a result of international agreements and the laws of physics. It also involves the issue of whether frequencies are used for broadcasting national, regional, or local programs, or for that matter programs sustained by advertising revenues, or noncommercial programs.

The dilemma implicit in this issue is substantive. It involves decisions that impinge upon openness in society. Is it appropriate to permit enterprises and profit making corporations to decide whether frequencies are allocated for commercial or public service broadcasting purposes in various Hungarian cities? Such matters should be decided by some future organization or board subject to societal control, one that does not abide by business considerations but instead follows goals that flow from a democratic political institutional system.

All this suggests that the issue of allocating and assigning broadcast frequencies should not be part of the new Postal Service law. It should be settled as part of the new press law now being developed. (Also called the law on information provision, or the law concerning the expression of views and the freedom of the press).

This is particularly true because the present draft of the postal service law intends to enforce enterprise interests regarding tariff policies in a very coarse fashion. All the proposal has to say about broadcast service fees is that organizations engaged in radio and television broadcasting "must pay a fee" for broadcasting their programs. The legislative proposal mandates that a specific fee structure be established by decree. This limited wording seriously affects both the state owned Hungarian Radio and Hungarian Television, and other radio and television stations awaiting to be established. This matter has an impact particularly on the latter group of broadcasters. Considering its existing pricing policies,

the Postal Service—the de facto broadcaster that enjoys a monopoly—will want to establish broadcasting tariffs that render the viability of future broadcasters questionable.

Thus far the "trilateral roundtable" has not discussed the new postal service law—not in public, at least. It is questionable whether in times of presidential elections and an overburdened Parliament the National Assembly will place the new Postal Service Law on its agenda at all. Rumors are that even KOHEM is hesitating to submit the legislative proposal.

It would appear, however, that it is preferable not only to realign the buttons on the vest, but also to tailor it anew. This should be accomplished at a time when it can be adjusted to conform to the future law on information.

'Monopoly Preserved in Discontinued Monopoly'

25000491 Budapest HETI VILAGGAZDASAG in
Hungarian 7 Oct 89 p 68

[Text] Up to now, postal and telecommunication service provisions have been regulated by the 1964 Law concerning the Postal Service, as amended by a few subsequent decrees. These legal provisions have as their starting point a single, huge monopolistic organization called the Hungarian Postal Service. This arrangement is consistent with the logic of the central plan direction system, and the etatist traditions of the Postal Service.

The Council of Ministers approved guidelines for a new law concerning the postal service and telecommunications in December 1988. These guidelines were circulated in January 1989 as part of publicly unavailable state documents in the "2000" series.

After 25 years, substantial arguments may be made for renewing the Postal Service Law, nevertheless legislative development was most certainly motivated by two main factors: pressure exerted by Hungarian society because of the miserable Hungarian telephone situation, and "postal" interests tied to substantive changes. The legislative proposal intends to establish legal conditions for the development of a telephone network with a close to 3-million-line capacity—at a cost of between 300 and 400 billion forints, according to preliminary estimates. Compared to this project, the renewal of regulations pertaining to postal and other telecommunication service provisions appears almost as secondary.

At least 90 percent of the capital needed for this development would not be provided for by the state budget. It could be obtained during the coming decade from other domestic and foreign investors. And based on negotiations conducted by the Hungarian Postal Service thus far there appears to be quite a substantial interest in Hungarian telephones on the part of foreign investors. KOHEM envisions the operating and legal conditions for these investments as follows:

—Discontinuation of state monopoly of all postal and telecommunication service provisions;

—Discontinuation of the heretofore public utility character of postal and telecommunication service provisions; establishment of certain aspects of development and operations on a commercial basis;

—Providing an opportunity for an opening to both the domestic and foreign entrepreneurial and capital markets; the creation of competition within certain fields.

Of all the postal service functions, only the international mail function would remain a state monopoly. At the same time, anyone could perform any other postal service functions, subject only to a KOHEM permit. The legislative proposal provides two main alternatives with regard to telecommunication service provisions. According to one alternative, functional regulations would be consistently enforced, and would enable in part both monopolized service functions and competitive service provisions. In a somewhat paradoxical manner, the other alternative retains certain activities in an unchanged manner under the jurisdiction of the Hungarian Postal Service or its legal successor.

Each of the two concepts includes two subalternatives. These define the limits of the monopolistic and the competitive spheres sometimes narrowly, at other times more broadly. This great number of alternatives signals uncertainty and conflicting interests within and between the Postal Service and KOHEM.

The legislative proposal does not deal with the key issue of what takes place in areas where the competitive sphere has not yet evolved. The absence of such a provision is understandable, however. Based on the ownership of its assets, the Hungarian Postal Service, today's monopolist, and its legal successor could establish operating conditions for the hoped for, promised competitors, and remain the long-term sole service provider in various fields. Nevertheless, the legislative proposal does provide that the Postal Service and its legal successor shall operate on a commercial basis guided by business considerations. Under such conditions the dependent consumer is rendered defenseless.

Improving Telephone Communications

25000491 Budapest HETI VILAGGAZDASAG in Hungarian 7 Oct 89 p 69

[Article by Gyorgy Heimer: "Did the Coin Drop?"]

[Text] Ranging from the Canadian Northern Telecom through the French Alcatel all the way to Samsung of Korea almost every large Western telecommunications corporation pays frequent visits to the Hungarian Postal Service. At first sight their interest may come as a surprise, because after so many years of futile attempts to expand its network, Hungary is still last in Europe. There are only 8.3 telephones for each 100 residents.

But it now seems that a turnaround may take place in this oft damned telephone situation. The Hungarian Postal Service is confident that the 10-year program for

telephone network development will be acted upon by the government in October. This program stipulates that by the end of the decade it will be possible to increase the ratio of telephones to 27 per 100 persons. Even though this index would place Hungary only at the average service level that will have been achieved in Europe by the early 1990's, the change may be substantial, particularly if compared to today's miserable situation.

The program holds the promise that by the year 2000 all institutional—and within that, entrepreneurial—telephone needs will have been satisfied, and that on the national average every second home will have telephone service. Beyond quantitative indexes the plan projects qualitative improvements in telephone service. As a result of planned investments, 1,700 existing manual switching stations in the countryside will disappear, and so will the obsolete rotary system from certain cities. Along with the still expandable Crossbar system, the rotary systems will be replaced by digital central stations which promise quick connections and uninterrupted telephone communications.

"But the customers must receive service by today and tomorrow," according to Ferenc Valter, Postal Service deputy president in charge of development. For all these reasons the Postal Service is considering a concept which heads in two directions. On the one hand it plans to implement step-by-step improvement in individual districts—or partial network improvements—within the 10-year development period. The digital central station serving 104 settlements placed in service in Szombathely early this year, and the conversion of the international and domestic long distance systems to digital operations may be regarded as the first steps taken consistent with the "island strategy." This new kind of development does not produce immediate improvement for areas having a lower priority ranking, however. For this reason the Postal Service intends to formulate a so-called cover system, which, although with limited capacity would provide better telephone connections between Budapest and county seats, and areas which were assigned a lower priority ranking.

Since the cost of establishing a single telephone line today is no less than 100,000 forints according to Postal Service calculations, and since during the 10-year development period the telephone central stations intend to install 3 million new or replacement telephone lines, it is easy to figure out that the financial need amounts to 300 billion forints. The Postal Service intends to produce about 50 percent of this amount from business ventures, to use Valter's words. This is a somewhat euphemistic statement because the Postal Service says it is considering further rate increases in order to accumulate the appropriate development funds. Another 10 percent of the 300 billion forints is expected to be paid out of the state budget, and the remaining 40 percent would come from operating capital and credit obtained abroad. This latter part of the funding package explains the high level interest expressed by foreigners. If the government

approves the program, the appropriate authorities will issue an international invitation for tender bids.

Although for the time being only tentative negotiations are taking place with possible foreign partners, the postal service law to be proposed at this time may also produce new developments. With the discontinuation of the Hungarian Postal Service's telephone monopoly, some new competitors may appear in the Hungarian telephone market. Deputy president Valter's views are restrained in this regard. As he

said, the Postal Service intends to stay in competition. They would not want to see rules by which the Postal Service remains the sole organization responsible for low yield basic service provisions, while competitors skim the profitable branches of the business. Aside from all this, however, it is conceivable that small individual telephone service areas will pass into private hands, or that flexible small entrepreneurs will build on the basic network and provide so-called added-value services, such as data processing, according to Postal Service management.

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