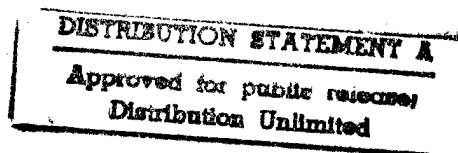


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RECENT PROGRESS IN HOUSING CONSTRUCTION IN GDR, FRG COMPARED

West Berlin DIW WOCHENBERICHT in German Vol 53 No 48, 27 Nov 86 pp 611-619

[Text] Housing construction is very important for the construction industry as a whole in the GDR as well as the FRG. Housing construction's share in the GDR's general building production has substantially expanded since 1970: The rise from 30 percent to 40 percent is due mainly to new construction. With a few fluctuations, almost half the entire construction volume recorded in the FRG in the past 15 years is accounted for by housing construction, although new construction has been on the decline in recent years. Modernization and repairs have gained increasing importance in both countries. In the GDR this tends to be the result of a high level of need for catching up. In the FRG it is more a matter of the improvement of housing and the residential environment.

Housing Construction as Part of Construction Generally

The construction volume in the GDR achieved M40 billion in 1985, DM205 billion in the GDR (at the respective 1980 prices). This meant M2,430 per capita in the GDR and DM3,370 per capita in the FRG. When we take the price difference into account (though this is hard to estimate without more accurate data on the differentiation by buildings), we must assume that the real construction output per capita is virtually the same.

In our calculations of the GDR construction volume, we have tried to compile the data on the construction output of all economic sectors even outside the construction industry and on lines comparable to those prevailing in the Federal Republic.(1) Here it was important in particular to add estimates of planning services that the GDR does not consider part of construction investments. Taking producer groups as our base, the GDR counts among its "construction industry" the centrally managed industrial construction combines as well as district managed housing construction, public works and foundation works. Its 530 enterprises accounted for 60 percent of the 1985 construction output. Also included in the building industry is the building trade and inter-cooperative construction organizations and land improvement cooperatives (agricultural construction enterprises). Moreover, some enterprises outside the construction industry (industry, transportation, agriculture and other sectors) have their own building departments and make a substantial contribution to the construction output.

In 1985, producer groups accounted for the following percentages of total construction volume:

-- Industrial construction combines (12)	30 percent
-- Housing construction combines (15)	24 percent
-- Public works and foundation works combines (15)	9 percent
-- Building trade (14,300 small enterprises)	11 percent
-- Agricultural construction enterprises (380)	6 percent
-- Enterprises outside the construction industry	20 percent

Table 1: Construction and Housing Construction Volumes in the FRG and the GDR (at prices prevailing in the respective countries in 1980)

Year	Federal Republic of Germany				
	Construction Volume		Including Housing Construction Volume(1)		
	billion DM	DM per capita	billion DM	Percentage of Construction Volume	DM per capita
1970	215.6	3,550	95.5	44.5	1,580
1976	215.1	3,500	104.3	48.5	1,700
1980	237.3	3,850	117.2	49.4	1,900
1981	226.2	3,670	110.7	48.9	1,790
1982	217.7	3,530	105.0	48.2	1,710
1983	219.2	3,570	110.1	50.2	1,800
1984	220.7	3,610	110.7	50.2	1,810
1985	205.6	3,370	97.7	47.5	1,600

Year	GDR				
	Construction Volume		Including Housing Construction Volume(4)		
	billion M (2)	M per capita (3)	billion M	Percentage of Construction Volume	M per capita
1970	21.0	22.7	6.9	30.4	410
1976	29.6	32.3	11.1	34.4	660
1980	32.5	35.5	13.8	38.9	820
1981	33.8	36.5	14.3	39.2	860
1982	34.8	37.4	14.3	38.2	860
1983	35.9	38.3	14.7	38.4	880
1984	36.7	39.0	15.4	39.5	920
1985	38.2	40.5	16.2	40.0	970

(1) Total of all performances for the erection, modernization and repair of residential buildings but excluding repairs carried out by private households;

(2) Construction output of all economic sectors (including heavy steel structures of multistorey and bridge construction, light gauge construction, exports of construction services) but excluding refinishing and warranty work, freight elevators, escalators, electrical installations in industrial buildings, planning services. Calculated on the basis of the 1981 values shown at 1980 prices, adjusted by the official index of the national construction output.-- (3) The same, supplemented by estimated planning services (including fees) and commercial installations).-- (4) Construction performances (including architectural services) for the construction of new housing as well as for the maintenance and modernization of the housing stock.

Sources: FRG: DIW construction volume computation (revised time series 1960-1985).
GDR: GDR Statistical Yearbooks, 1986 GDR Handbook of Statistics; DIW computations.

When we attempt to delineate housing construction on this basis, we get the following picture: The housing construction combines yield some 60 percent of residential buildings, the building trade and agricultural construction enterprises together account for about 30 percent, the remainder coming to a very minor extent from public works and foundation enterprises, to a larger extent from enterprises outside the construction industry.

The available data on housing construction primarily refer to investments (new housing construction). Construction repairs (including modernization) as well as development and subsequent costs (2) had to some extent to be estimated. The official index of construction repairs to residential buildings supplied the essential information. We thus get a M16 billion 1985 housing construction volume in the GDR, compared with DM98 billion in the FRG, computed at 1980 prices for both countries (see Table 1).

In the FRG housing construction has accounted for 45-50 percent of the total construction volume ever since 1970. In the GDR it rose from only 30 percent in 1970 to a little below 40 percent in the early 1980's and has held steady at this percentage since then.

Considered from this aspect, the relative importance of housing construction is still greater in the FRG than in the GDR. However, much more could be invested in housing in that country if housing construction did not have to compete for construction capacities with the economy as a whole. In the FRG, on the other hand, unused construction capacities are available, and it is doubtful whether the demand for housing will be sustained in the present dimensions. In this connection we also need to note that the expansion of the infrastructure in the FRG (in particular public works relating to roads, energy supplies and so on) had already been strongly emphasized in the 1960's and until the mid-1970's (3), declining thereafter. This same process got under way much later in the GDR. The major projects there are the construction of the motorway to Hamburg and Rostock, the start on the

electrification of important rail routes and central heat supplies. Quicker expansion is hampered not only by the lack of construction capacities but also by the shortage of energy and materials. This is indicated by the "efforts at intensification." The GDR authorities aimed at constructing fewer new buildings and instead concentrating on more reconstructions and modernizations of existing buildings in all sectors of the economy. The result was a general decline in investments (new construction), albeit this tended to be overcompensated by a sharp rise in building repairs (including major overhauls).

Table 2: Housing Construction Volume in the FRG and the GDR (at prices prevailing in these countries in 1980)

Year	FRG			
	including			reportedly
	Total	New Construction	Construction Work at Existing Buildings (1)	Investments (2)
	billion DM			
1970	95.94	70.78	25.16	85.41
1975	98.04	69.20	28.84	81.77
1976	104.27	72.72	31.55	85.50
1977	107.21	74.11	33.10	88.50
1978	109.44	75.64	33.80	99.39
1979	114.84	79.57	35.27	98.04
1980	117.19	79.60	37.59	100.57
1981	110.72	70.79	39.57	95.99
1982	105.02	64.31	40.35	91.42
1983	110.11	70.63	39.48	96.45
1984	110.70	70.61	40.09	98.41
1985	97.71	56.00	41.71	88.05

	GDR				
	including:				
	Investments (4)	Subsequent Costs (5)	Site Development, Services (6)	Architectural Repairs (7)	Building
	billion marks				
1970	6.92	2.47	1.50	0.55	2.40
1975	10.11	4.16	1.91	0.92	3.12
1976	11.07	4.58	1.98	1.01	3.50

1977	11.74	4.77	2.10	1.08	3.79
1978	12.56	5.36	1.95	1.15	4.10
1979	13.31	5.56	2.37	1.13	4.25
1980	13.77	5.79	2.67	1.01	4.30
1981	14.30	6.15	2.55	1.02	4.58
1982	14.33	5.87	2.33	1.23	4.90
1983	14.66	6.21	1.89	1.23	5.33
1984	15.40	6.28	1.94	1.25	6.93
1985	16.20	6.76	1.76	1.25	6.43

(1) Modernization, repairs, remodeling, extension.-- (2) According to the national accounts for the FRG: New construction and value raising repairs.-- (3) Building work (including architectural services) for new housing construction as well as for the maintenance and modernization of the residential building stock.-- (4) In the GDR by definition new construction only.-- (5) Computed as the difference from the data on financing costs on the one hand, investments and estimated modernizations on the other. The "money spent on finished housing" does not relate to new buildings only; it includes modernization, indirect facilities (such as day nurseries, laundromats, stores) as well as development costs; it does not include the cost of repairs or architectural services. To somehow take into account the time appropriate correlation of money spent and the completion of the housing units, it was assumed that buildings were in each case financed to 50 percent from the moneys allocated in the previous year and those allocated in the year of completion.-- (6) Including land use fees, demolition and removal of debris, in part estimated.-- (7) Building repairs to residential buildings including modernizations, additions, remodeling and extension. The dimensions of the value were ascertained with the help of the index shown as a time series and the value for 1971; the value recorded for 1971 (M1.61 billion) is given at 1967 prices, it corresponds to at least DM2.4 billion at 1980 prices.

Sources: FRG: DIW construction volume computation (revised time series 1960-1985.

GDR: GDR Statistical Yearbooks, 1986 GDR Handbook of Statistics; DIW computations and estimates.

The Structure and Development of the Housing Construction Volume

Since the late 1970's, the percentage of new construction in the FRG has dropped from about 70 percent to less than 60 percent. Modernization (including remodeling and extension) and repairs have thus steadily increased. Calculations relating to new construction in the GDR (investments, development costs and architectural services (4)) yield a very similar picture: In 1975-1980 new construction accounted for two thirds; thereafter the structure shifted in favor of building repairs. In both German states, therefore, building work directed to the maintenance of the housing stock is of major importance. It must be noted, though, that general construction activity in the FRG has recorded hardly any growth trend, while--as the result of the housing construction program--investments and building repairs in the GDR both increased for many years. Only quite recently has new construction stagnated (see Table 2).

At 1980 prices prevailing in the respective countries, the per capita housing construction volume in the GDR amounted to 25 percent of the value in the FRG in 1972, to 50 percent in 1982 and lately (1985) to 60 percent. However, to be able to compare output, we need to take into account the differences between price levels. In 1967 construction costs were roughly the same, calculated in the currency units of the two countries.(5) Since then the FRG has registered a far greater price inflation for buildings than the GDR. In 1967-1980 construction prices in the FRG rose by 133 percent (for residential buildings actually by 142 percent). In the GDR they are estimated to have increased by 60 percent for construction investments generally. No data are available to allow us to differentiate construction sectors. If we transfer this rate of inflation to housing construction,(7) we get a housing construction volume of at least DM24 billion for the GDR in 1985 (at 1980 prices in the FRG). This corresponds to about a quarter of the housing construction volume in the FRG (DM 98 billion). Estimated real per capita housing construction output in DM amounted to 1,450 in the GDR and 1,600 in the FRG; the difference, therefore, is now minor. In 1970 the ratio was still 1 : 2.5; in the mid-1970's (when the GDR housing construction program began) around 1 : 1.5. The difference has been narrowed rapidly (see Table 3).

Table 3: Real Per Capita Housing Construction Output in 1980 FRG Prices

Year	FRG	GDR	GDR as percentage of FRG
1970	1,580	620	40
1976	1,700	1,000	60
1980	1,900	1,250	65
1983	1,800	1,300	75
1985	1,600	1,450	90

Admittedly, this comparison does not take qualitative elements into consideration, such as arise for example from differences in the type and equipment of the buildings and apartments constructed.(8)

Reasons for the Approximation of Real Housing Construction Output

The results of the GDR's 1971 housing census had a decisive influence on housing policy. The census revealed considerable defects in the preservation of the building stock and deficits in the standard of amenities. Less than 20 percent of buildings turned out to be undamaged. Some 16 percent were badly dilapidated, just under two thirds showed definite disrepair. Due to the low level of rents, neither private landlords nor municipal housing administrations had been able to finance the necessary repairs and modernization.

The GDR economic leaders were therefore forced to tackle the problem from two sides simultaneously: More new construction on the one hand and the restoration of old building stocks that were either in danger of collapse or

particularly backward as to amenities on the other. In 1973 they decided on an extensive housing construction and reconstruction program, (9) with the aim in the period 1976-1980 to construct or modernize a total of 2.8-3 million housing units. This housing construction program was positively emphasized as the "core of social policy."

The greatest boom in new construction in the FRG was recorded in the early 1970's. It mainly involved apartment buildings. Construction subsequently shifted to one-family homes, and this resulted in another climax for the housing construction volume in 1980. Next came a decline that was exacerbated by gluts on the realty market as well as on the rental market. The fact that modernization and repairs assumed steadily greater weight is explained in part by the shift in government subsidies, but actually market forces predominated: The capitalized income value of older buildings could be improved at relatively low cost, while the profitability of new buildings dropped.

Table 4: Housing Construction Activity in the FRG and the GDR

Year	Completed Housing Units				One-Family Homes	Total Floor Space (1)
	Total (1)	New Const- ruction(1)	Remodeling & Extension	One-Family Homes (2)		
	1,000's				%	1,000 m2
FRG						
1970	478.1	455.8	22.2	196.1	43.0	40,954
1976	392.4	371.2	21.2	207.8	56.0	38,463
1980	388.9	372.5	16.4	249.1	66.9	40,639
1981	365.5	349.1	16.4	220.0	63.0	37,207
1982	347.0	328.5	18.5	189.0	57.5	34,071
1983	340.8	320.8	20.0	167.1	52.1	32,187
1984	398.4	376.8	21.6	176.1	46.7	35,937
1985	312.1	291.9	20.2	151.8	52.0	28,699
GDR						
1970	76.1	65.8	10.3	2.3	3.5	4,256
1976	114.7	103.1	11.6	11.1	10.8	6,869
1980	126.0	120.2	5.8	19.0	15.8	7,248
1981	131.1	125.7	5.4	21.5	17.1	7,772
1982	127.4	122.4	5.0	18.3	15.0	7,453
1983	127.1	122.6	4.5	18.5	15.1	7,493
1984	125.7	121.7	4.0	17.9	14.7	7,316
1985	124.2	10.7	3.5	17.9	14.7	7,207

(1) Residential and nonresidential buildings.-- (2) Only new residential buildings.-- (3) In new housing construction.

Sources: FRG: Statistical Yearbooks and Construction Activity Statistics
GDR: Statistical Yearbooks, 1986 Handbook of Statistics

Completed Housing Units

Since 1970 7.2 million housing units have been completed in the FRG, 4 times more than in the GDR (see Table 4). However, construction dropped quite substantially from the mid-1970's on, while the GDR recorded a strong rise up to 1983. The slight decline thereafter was less the consequence of lower output than the result of increased restructuring toward inner-city mixed construction (the closure of building gaps consonant with historic layouts).

Up to the mid-1970's, the annual per capita housing construction output in the GDR lagged behind that of the FRG. Since 1976, though, more units per capita are built in the GDR than in West Germany. When we compare the new floor space annually provided, we also note a distinct approximation between the two countries, though the gap was initially wider than with regard to the total of housing units. While the trend toward approximation was already perceptible in the first half of the 1970's, it was postponed by the construction boom in the FRG. In recent years the GDR constructed roughly 450 square meters floor space per 1,000 residents, 20-25 percent less than in the FRG; by 1985 the difference shrank to 10 percent (see graph).

Graph: Comparison of the Floor Space Annually Provided in Both German Countries 1960-1985

Key:

- | | |
|------------------------------|--------|
| 1. Square meter per resident | 3. GDR |
| 2. FRG | |
-

The average size of the new housing units constructed annually amounted to 56-60 square meters in the GDR, to well above that in the FRG: From 1970-1980 floor space there rose steadily from 86 square meters to 104 square meters and then declined to 92 square meters in 1985. This shift in size in the FRG is due to structural reasons: The average size of units in apartment buildings always amounted to less than 80 square meters, in one-family homes, on the other hand, to more than 100 square meters. The decline in the size of all homes reflects the shift of demand from one-family homes to condominiums and the temporary rise in the construction of apartments for rent.

Homes in one or two-family houses have long accounted for more than 50 percent of new construction in the FRG. "Individual home construction" has been encouraged again in the GDR since the early 1970's, especially for large families. While the percentage of one-family homes in new construction had been insignificant before, it has risen to about 15 percent since the late 1970's. Consonant with the types of building, the size of homes varies there also, but it has little effect on average values due to the low figure for one-family homes.

Ten years after the start of the GDR housing construction program we feel justified in drawing up an interim balance sheet. In addition to new construction output, we need to consult also the figures for modernized units. Total output for the period 1976-1985 amounts to 1.8 million housing units, including 1.2 million new construction and 0.6 million modernizations.(10) In fact this is slightly better than planned. Another about 1.1 million units are to be completed by 1990. The total for the entire term of the program would then amount to roughly 2.9 million completed homes (new construction and modernization), and this conforms to the 1973 targets (2.8-3 million units).(11) Table 5 shows the estimated distribution by new construction and modernization.

Table 5: Likely Completions in the GDR Housing Construction Program

Years	including			
	Total	New Construction	Remodeling & Extension	Modernization
1976-1980	813	560	44	209
1981-1986	989	613	23	353
Plan 1986-1990*	1,064	593		471
Total	2,866	1,766	87	1.013

* Directive to the 1986-1990 5-Year Plan, NEUES DEUTSCHLAND, 22 April 1986.

Preservation and Modernization of Old Buildings

An increasing percentage of the construction output in both German countries is aimed at the improvement of the housing stock. In the FRG it amounted to roughly 25 percent of the real housing construction volume in 1970, to one third by the end of the 1970's and, in 1985, for the first time to more than 40 percent. As new housing construction keeps declining, this percentage is likely to rise even further in the years to come. Just about a third of the GDR's housing construction output in the 1970's was accounted for by building repairs (including modernization); this percentage grew to 40 percent by 1985.

In so far as it deals with existing housing stocks, construction output in the FRG has long been directed to a further rise in quality standards--energy conserving investments with regard to heating and insulation, improved amenities, better looks for the city, and so on. In the GDR such modernization still needs to take a back seat to the preservation of the building stock. In the case of many old residential buildings, the main concern is the achievement of a minimum standard of amenities and the arrest of the threatened building dilapidation. Restoration and modernization really got going only when the government included them in the plans and made budget allocations and loans available. Since 1971, 706,000 apartments have been modernized. However, for 100,000 of them this merely meant the provision of running water and sewage connections as well as inside toilets. When we relate the figures for modernized apartments to the old stock dating from before 1945, this represents no more than 16 percent. At the same time we should remember that many of the housing units constructed after the war also need renewing (the same applies to the FRG). Related to total stocks, the annual GDR modernization rate is only about 1 percent. This shows the enormous modernization tasks still remaining.

Repairs also have increased tremendously since the beginning of the 1970's. A few years ago the authorities began to renew roofs and facades along entire streets and also to reinsulate foundations. Repairs, especially to roofs and chimneys, are to be carried out by 1990 for a building stock involving 1.8-2 million apartments.(12) Nevertheless the GDR has not yet succeeded in shifting enough construction capacities from new construction to preservation, because the construction enterprises are afraid of declining productivity.

Modernization in the FRG has to some extent been encouraged by public programs. Still, modernization and repairs have also been carried out without direct subsidies though, overwhelmingly, with tax concessions. The figures for and extent of the joint subsidies by federal and Laender agencies are recorded in statistics,(13) while hardly any data are available for the various modernization programs of the Laender and other modernization efforts. The dimension of the overall measures can be expressed in figures only for the period 1973-1977, by means of the results of the 1978 1 percent sampling: In this 5-year period 5.6 million apartments had their amenities improved; at the same time value improving measures were carried out on 2.7 million buildings with 5.7 million apartments (such as the renewal of roofs and facades, improvements of energy and hot water supplies). Modernization affected a total of 3.7 million residential buildings with 8 million apartments, in other words a good third of total stocks. Despite the cuts in modernization

subsidies (14) it must be assumed that a considerable percentage of the housing stock (5 percent or more per annum) has been improved in the period since 1977.

The sector urban renewal and residential environment gained even greater importance vis-a-vis new housing construction and normal maintenance. The shift of emphasis also arises from the fact that many residential settlements --not least those dating from the 1960's and 1970's--no longer correspond to the desires of the residents. Due to the rapidly rising need for repairs and the simultaneous increase in the vacancy rate, many large-scale residential complexes are burdened with such high outgoings that the demolition of some buildings is already being seriously considered.

The construction of satellite cities is still proceeding in the GDR. However, the authorities there also are now making efforts to revive the inner cities by residential construction. According to the latest data, inner city housing construction currently accounts for 60 percent of total housing construction. This includes the filling in of building gaps accompanied by the restoration of mixed residential-business districts and the improvement of buildings worth preserving due to their great cultural value. East Berlin is making special efforts to reorganize the city's look for the city's 750's anniversary celebrations.(15)

Indices on the Housing Supply

In 1971 the GDR had 355 housing units per 1,000 residents, 8 percent more than at the end of the 1960's in the FRG (1968: 330 units per 1,000 residents). Before that time, the difference between the two countries was even greater: In 1961 it amounted to 12 percent, in 1950 as much as 25 percent. This was due to the relatively greater wartime destruction of residential buildings and the considerable immigration into the FRG. Moreover, even before World War II housing supplies were lower here than in the present GDR territory.(16)

It took the Federal Republic until the mid-1970's to catch up with the GDR in the matter of the housing supply.

Comparing GDR housing census figures for 1971 and 1981, it is striking to note that the net increase amounted to only 510,000 units, though new housing construction output was more than double that: 174,000 housing units were taken off the books as the result of mergers, another 244,000 for not being available to the public for residential purposes. Some of them were reassigned for commercial purposes.

At the end of 1981, housing density in the GDR amounted to 393 units per 1,000 population (actual housing stocks amounted to 6.6 million units for 16.7 million population). The comparable figures for the FRG in 1982 were 404 units per 1,000 residents, and the stock for a comparable population amounted to almost 25 million. The latest available data on housing stocks in the FRG relate to April 1982 (microcensus sample) and are divided from GDR census results by only a few months. At the same time we must remember that West German housing units (at 82 square meters) are on the average 30 percent larger than those in the GDR (63 square meters). The average per capita floor

space in the FRG was around 33 square meters, in the GDR roughly 25 square meters (see Table 6). Considered from the aspect of floor space, housing supplies in the FRG are therefore even better. Amenities also are of a higher standard. In general the standard of amenities in the GDR was at a level already achieved in the FRG in the early 1960's.

The FRG displays greater differences in the supply available, especially in relation to occupancy conditions (rental, ownership). The average floor space per household member amounted to 37 square meters for ownership but to only 31 square meters for rentals. This difference operates in the regions also and is steadily increasing. Due to the preferential treatment granted private home construction in the past 10 years, construction concentrated rather less on those regions that, with regard to the ratio of housing to population density, most needed additional units. Supplies both with respect to the quantity and size of housing units improved primarily in the areas adjacent to conurbations, in rural regions and mid-size cities.

In the GDR, too, regional supply differences both as regards quantity and quality have not diminished since 1971.(17) East Berlin offers a good example: It even further improved its already favored status. Judged by housing density (units per resident), better than average supplies also persisted in Karl-Marx-Stadt, Dresden and Leipzig bezirks. The housing situation remains relatively poor in the northern districts (Neubrandenburg, Rostock, Schwerin) and Frankfurt and Cottbus bezirks. Despite all efforts aimed at modernization, regional differences in the amenities available have not been significantly narrowed. The worst arrears are present in the conurbations (Leipzig, Dresden, Karl-Marx-Stadt, Halle being rather better off) and the southwestern districts (Suhl, Erfurt). Differences also persist between urban and rural kreises, and the gap in standards is particularly wide between district capitals and their environs.

Judged by the claims of a social policy designed to create equal living conditions, GDR regional housing policy was still imperfect, because it actually focused on such objectives as the control of manpower settlement for industrial key points rather than on aspects of a leveling of regional housing conditions.

Table 6: The Housing Stock in the Two German Countries

Housing Stock and Amenities, Housing Supply	Data in	FRG			GDR	
		1968(1)	1978(2)	1982(3)	1970/71(4)	1981/82(5)
Total Housing Stock	1,000's	19,624	23,770	(24,900)	6,057	6,562
Inc: Residential Buildings Inhabited Units	1,000's	19,083	23,050	(24,100)	5.971	6,541
Constructed:	1,000	18,789	22,380	23,350	5,847	6,235

up to 1918	Percent	32	22		57	46
1919-1948 (FRG) or	Percent			33		
1919-1945 (GDR)	Percent	17	15		22	19
post 1948 or 1945	Percent	51	63	67	21	35
Amenities:						
Central or Common						
Heating (7)	Percent	53	64	70	11	36
Bath/Shower	Percent	68	86	90	39	60
Inside toilet	Percent	79	92	-	39	60
Running water (8)	Percent	99	100	-	82	94
Total Floor Space	mill.m2	1,395	-	-	351	414
Inc.Residential						
Buildings	mill.m2	1,360	1,850	1,950	-	412
Floor Space per						
Unit	m2	71	80	82	58	63
Floor Space per						
Resident	m2	23	31	33	21	25
Units per 1,000						
Population (9)	quantity	330	388	404	355	393

(1) Building and housing census, October 1968.-- 2) 1 percent housing sample April 1978.-- 3) Microcensus, additional investigation, April 1982.-- 4) Population, occupation, housing space and building census, January 1971.-- 5) As (4), December 1981.-- (6) FRG: Apartments in buildings, excluding apartments rented by foreign armed forces; GDR: 1971 including but 1981 excluding units not used for housing and apartments occupied by aliens.-- (7) FRG: Including central building or floor heating but excluding individual stove heating by night power, gas or oil; GDR including central building heating including individual stove heating by electricity, oil or gas.-- (8) Connection to the public supply network or private water supply on the property with faucet in the building or apartment.-- (9) Related to residential population as a whole (including institutionalized people).

FOOTNOTES

1. Construction volumes includes the contributions of all sectors of the economy, that relate to the construction, preservation or modernization of buildings; to be taken into account in addition to the output of the building trade are the contributions of the processing industry (such as structural steel and light metal construction, elevator construction), services (architectural services, fees for conveyances, and so on), and individual contributions by investors (self-procured facilities, work done by private households for their own account). The construction volume is distinguished from construction investments mainly by the inclusion of repairs that do not raise the value.
2. Site development costs for residential properties are relatively higher in the GDR than in the FRG, because the badly obsolete utility networks frequently require more extensive work for connecting new residential complexes.
3. See Egon Baumgart, Bernd Bartholmai: "Structural Shift in the Demand for

Fixed Asset Investments," in "Weakening of the Growth Impulse--An Analysis of the Structural Development of the German Economy," Materials Volume 1 to the 1980 DIW Structural Report.

4. We may omit from our considerations that these also refer--to a very minor extent--to building repairs.
5. See "Materials to the Report on the State of the Nation, 1971," Parliamentary Paper by the German Bundestag, No VI/1690, p 82.
6. No data on the progress of construction prices are published in the GDR. We therefore had to estimate it on the basis of a few indications. A significant lead is the official revaluation rate used to convert fixed assets from the 1962 price base (prior to the industrial price reform) to the 1980 price base. For buildings, this amounted to a surcharge of about two thirds. Accordingly we might assess the rise in the price index (1962 base) through 1980 at around 170 percent. On the other hand, the 1967 base year is better suited for a comparison with the FRG (when construction costs were almost the same), and that is why we need to deduct the 1962-1967 price rise. The 1967 industrial price reform offers a lead: For the first time since the GDR's establishment, construction prices were then raised by 26 percent. This rise was designed to correct the increasing divergence between actual costs and prices kept artificially steady. However, only a smaller portion of the 26 percent rise in construction costs may be allocated to 1962/1967. For that reason we estimated the price index for 1980 at 160 (at the 1967 base).
7. Basing ourselves on the similar price level in 1967, the index ratio for the 1980 base year, chosen in the Table, should be assessed at 150 (housing construction price index FRG 242 vis-a-vios 160 in the GDR).
8. The price index is based on a rigid structure of the building trade corporations and the building materials used. As we all know, if we consider only one area, the price index is able only inadequately to take the shifts in the structure of construction.
9. See Wolfgang Junker (Minister for Construction): "The GDR's Housing Program for 1976-1980," NEUES DEUTSCHLAND, 4 October 1973, pp 5ff.
10. The modernization measures are intended to adjust amenities to modern demand. They relate mainly to building in water pipes, the provision of water heaters, indoor toilets, showers, baths and central heating systems. Modernization may cost an average 35 percent and no more than 70 percent of the costs for a comparable unit in a new building and at the same time ensure that the housing unit or building will have its useful life extended by at least 30 years.
11. The planned target for modernized housing units will probably be exceeded by 30,000-50,000, so that the total result at end 1990 may well be at least 2.9 million units.

12. See Ewald Henn: "The Tasks of Building Research Following the Eighth Construction Conference," ARCHITEKTUR DER DDR, No 1/1986, p 3.
13. Overall, Federal and Laender governments have aided measures for the modernization of housing units and energy conservation to the tune of DM6.4 billion. 600,000 housing units benefited from modernization subsidies, 1.2 million from energy conservation subsidies. Another 350,000 housing units were subsidized within the framework of the crisis related stimulation programs of 1974 and 1975. See R.Eiselt: "Figures on Housing Modernization and Subsidies according to the Mod EnG," BUNDESBAUBLATT, No 3/1981. On urban construction see K.-D.Koopmann: "Subsidies for Urban Renewal 1971-1984--Compilation of Federal and Laender Construction Programs," BUNDESBAUBLATT, No 10/1984.
14. Direct subsidies according to the federal-Laender government programs ceased in 1982; at the same time the tax benefits as per Article 82a EStDV, important for individual owners, were radically cut.
15. See Wolfgang Junker: "Construction Workers Change the Capital in an Unprecedented Way," NEUES DEUTSCHLAND, 27/28 September 1986, p 4.
16. See Klaus Dieter Arndt: "Housing Conditions and Housing Demand in the Soviet Occupation Zone," DIW special issues, new series, No 50/1960, p 11.
17. See Manfred Melzer assisted by Wolfgang Steinbeck: "Housing Construction and Housing Supplies in the Two German Countries--A Comparison," BEITRAEGE ZUR STRUKTURFORSCHUNG, No 74/1983, pp 104ff.

11698

CSO: 2300/127

PROBLEMS IN DEVELOPMENT OF DOMESTIC BOND MARKET DISCUSSED

Budapest MAGYAR HIRLAP in Hungarian 10 Dec 86 p 5

[Article by Ilona Kocsi: "Who Should Guarantee?"]

[Text] Dilemmas of the Domestic Bond Market--Th Price for Guarantee

Bond holders did not notice anything. When they went to the bank for their interest due they got it without any trouble as if everything had been in order--despite the fact that right then the issuing company was insolvent. Had it been up to the company, it might have asked for postponing payments for a few days. This step, however, would disturb the fairly blossoming but still a little unstable securities market. But--as a last resort--there is the state guarantee to cover the population's bonds. And in this case it was the bank that decided to pay instead of the issuing company.

Few areas have experienced such a spectacular development in recent years as the bond market. In 1983, after the publication of the new provisions of law, such securities were issued for a value of 745 million forints. In 1986, this special market traded 9 billion forints. More than 50,000 individuals and at least 1,000 companies belonged to the ever increasing camp of the "ticket-cutters."

All this indicates that Hungarian society has accepted this form of investment and savings. And with the state guarantee, the bad memories of the past, forced subscriptions [to state bonds] gradually sink into oblivion and mistrust is being replaced by trust, which is indispensable in dealing with securities. This is clearly shown by the jump in bond purchase among the population. The company market is more moderate, having a 2.3 billion forint share of the approximately 9 billion forint trade.

Danger Money

In the beginning, however, experts guessed at a reverse distribution. Mostly because if a company issues bonds for economic units it does not need the permit of the minister of finance, unlike in the case of bonds for private persons, when even the money from subscriptions cannot be invested at the company's discretion. (Under review, those ideas which are in some way

related to the sphere of supplies for the population get the green light faster .) The somewhat more complicated preparation, nonetheless, pays off for the issuing company, since once it has the permit, it can get the desired money almost immediately. It does not have to fear underrating of its bonds since demand largely exceeds supply. In addition, interest is a little lower. Companies, in turn, are not frantic about buying, so such subscriptions take a long time. Of course, there is an explanation for this as well. While private persons do not pay taxes on the interest earned on bonds, economic units do. Among other reasons, this also led to higher interest rates in this market. All this, however, is becoming a thing of the past. The markets are becoming more and more alike, demand and supply are gradually equalized and thus conditions become similar.

With the only exception, perhaps, of the state guarantee, which continues to provide security only for private persons. This security, however, has undesirable side effects, and this is exactly what prompts debates among experts. Because this solution eliminates not only the investors' risk but also the differences among the operation of the issuing companies. So, while the economic goal is to direct the flow of capital--in this case, the savings of the population--to the most efficient areas, this aim is completely neglected. With some exaggeration, it can be said that, on this market, a company on the brink of bankruptcy can acquire supplemental financial resources the same way and at the same price as a healthy one. (Such extreme cases, of course, do not occur in reality, since a company showing a deficit may not get the permit to issue bonds.) Reason would dictate that a prosperous company should acquire new capital more cheaply, since its creditors--even without the state guarantee--run only a minimal risk. And inversely, where there is a high risk of the issuing company's becoming insolvent, it would be suitable to apply "danger money", i.e., higher interest rates.

It Would Boomerang

As a consequence of the state guarantee, however, this contradiction loses its significance--at the most, it is the economic experts who have a headache because of the undesirable direction of capital flow. That's why there are some opinions suggesting the elimination of the state guarantee saying that this would serve the national economy. It is not difficult to predict the consequence of such a decision. The market which is now propering would collapse like a house of cards. In a panic, bondholders would sell their securities to the bank, and new issuing companies would hopelessly look for buyers...They would publish their status of their assets, revenues and profits, but no matter how impressive these numbers were, even at a higher than usual interest rate, buyers would not forget that the state did not provide guarantees. For the Hungarian buyer bonds are a form of savings or a special "savings deposit" rather than investments which entail risks.

This solution would work as a boomerang, by which the state would deprive itself of the mobilization and centralization of private money. Even so, the differences between the economic performance of the issuing companies should also appear in some form on the bond market. One possibility could be that, while continuing to guarantee repayment for private persons, in the case of

companies the state would pass on risk-taking to a financial institution in the first round. The bank would survey how much risk is involved and would set up a proportionate fee for its guarantee. This way, a company's insolvency would burden the bank and not the national budget. The state would get involved only if the bank could not pay either. Thus, even if indirectly, the assessment of a company's economic performance would appear in the price of the issuing permit. There was a precedent for this solution in the past when the Minister of Finance permitted the Tisza Chemical Combine to issue bonds on the condition that some financial institution or other organization guarantee that it meet its obligations. So far, however, this has been done free of charge, so it has been a mere formality...

Unified Background Needed

Apart from the psychological factors and domestic habits, there are other reasons in favor of state guarantees. The layman learns very little from the 3 economic data companies are already obliged to publish. What's more, the truth is that under domestic circumstances not even experts can take a clear stance with full responsibility about the operation and economic situation of a company. It would be different if dozens of companies offered their services to assess the risk involved and the financial situation and prospects of the company in question. This sort of service is widespread in capitalist economies, in this country, however, it requires major efforts even for banks to form a clear picture. The formation of a unified bond market requires a unified institutional background and organizational structure, which are still absent today. As the private and institutional bond markets are separated, so are the handling institutions. The State Development Bank is not the only one any more to trade in bond issues. The Hungarian National Bank has entered the market as well. Still, each of these can only tell accidentally if it sells bonds not available at the other.

Perhaps, all this clearly indicates that despite the spectacular development, the domestic securities market is still suffering from growing pains. Mainly since other types of securities, such as stocks, appear only sporadically. Of course, the positive side of all this is that dynamic development can continue in the future, that is, presupposing a unified and coordinated institutional background, where ample and organized information is available and where rules are unified.

13212

CSO: 2500/110

ECONOMIC COOPERATION WITH MONGOLIA DESCRIBED

Budapest FIGYELO in Hungarian No 47, 20 Nov 86 p 9

[Article by I.N.: "Hungarian-Mongolian Economic Cooperation"]

[Text] The Hungarian-Mongolian intergovernmental Committee on Economic, Technological and Scientific Cooperation held its 19th session in Budapest in the beginning of the week.

The economic relationship between Hungary and Mongolia involves three major areas: the exchange of goods based on barter agreements, the construction of industrial plants and related services in the framework of credit agreements and, finally, other forms of cooperation.

The first exchange of goods agreement was signed in 1957 for the value of only 0.65 million rubles. The value of trade exceeded 10 million in the 70's and has since shown a steady, if modest, growth year by year. The expansion of trade basically depends on the increase of the Hungarian import capacity, which is, in turn, limited by the present level of the Mongolian national economy. The 1986 agreement projects Hungarian exports of over 8 million rubles and imports of the same value.

Traditional products continue to dominate the Hungarian import: animal hides, unprocessed and semiprocessed furs, leather coats, leather jackets, suede fur coats, and products and by-products of the Darhan meat combine and the Songino biocombine. The latter substitute capitalist import goods and make possible the production of items exportable to capitalist markets.

The composition of exports is not going to change this year compared to previous times. Equipment and spare parts that Hungarian companies deliver to the Mongolian light industry and food industry plants built with Hungarian cooperation, are an important part. Besides these, there are telecommunications and laboratory equipment, medicine, textiles and cosmetics on the export list.

There is possibility to develop the trading relationship. Hungarian companies have not adequately focused their marketing on Mongolia. Raw materials obtainable from there are still an unexplored source of domestic utilization.

Another important field of cooperation is the export of goods and the technological and scientific assistance to Mongolia under the credit and compensation-free aid program of the 5-year plan.

When the cooperation started, on the basis of their experiences in Mongolia, Hungarian economic experts drew the conclusion that Hungary could offer effective help in improving the water supply of water-poor Mongolia by drilling wells. In fact, this marked the beginning of a broader economic cooperation between the two countries.

Hungary also extended long-term credit to Mongolia. In this respect, the basic aim of Hungary is to expand its import possibilities in exchange for the equipment delivered within the framework of credits and aids. This is justified also by the plants constructed with Hungarian help. Numerous specialists and workers of the Ulanbator clothing factory, operating since 1980, has acquired professional qualifications in Hungary. The Songino biocombine, one of the largest animal vaccine and feed factory in Asia, was put into operation in 1973; production started in the same year in a large-capacity meat factory complex in Darhan. In both, Hungarian experts assist in the work to date.

The agreement on economic, technological and scientific cooperation between the two countries for the period of 1986-90 was signed in Budapest on February 24, 1986. Hungary provides assistance for Mongolia in several fields, e.g., in professional training, water management, geological exploration, etc. For the above mentioned period, Mongolia receives credit to expand the Ulanbator clothing factory, the modernization of the Songino biocombine and for the construction of a leather processing factory.

The Wolframinvest, a company formed in Cagan Dava on November 13, last year, for the exploitation of wolfram, will help in expanding further cooperation.

13212

CSO: 2500/88

BRIEFS

MESSNER AT ECONOMIST'S FUNERAL--Warsaw, 2 Jan--The funeral of Professor Janusz Gorski, outstanding economist, state and social activist, took place here today. The family of the late professor was joined in the funeral procession by Zbigniew Nessner, Tadeusz Porebski, Mieczyslaw F. Rakowski and Sbigniew Gertych. Gorski was member of the Socio-economic Council at the Sejm, the National Council of the Patriotic Movement for National Rebirth (PRON) and the National Culture Council. Between 1978 and 1981 Gorski was minister of science and higher education. [Text] [Warsaw PAP in English 1639 GMT 2 Jan 87 LD] /9274

CSO: 2600/280

ROUNDTABLE ON NEED TO IMPROVE ORGANIZATION, MODERNIZE PRODUCTION

Bucharest ERA SOCIALISTA in Romanian No 15, 15 Aug, No 16, 30 Aug 86

/Discussion by Nicolae Badea Dinca, scientific director of the Institute for Scientific Research and Technological Engineering for Compute and Data Processing Technology, Nicolae Dobre, general director on the National Committee for Science and Technology, Viorica Dobrescu, general director of the Plastics Central, Mircea Dragulin, general director of the Central Institute for Heavy Equipment, Panaite Dragus, general director of the Electroaparataj Enterprise, Roland Ionescu, general director of the Electronica Enterprise, Traian Ispas, director of the Research and Design Institute for the Construction Materials Industry, Carol Manitiu, general director of the Central Institute for Machine Building, Gheorghe Marinoiu, secretary for economic problems on the Bucharest Municipal Party Committee, Mihai Niculescu, director of the Institute for Design of Metallurgical Sections and Plants, Radu Opincaru, technical director in the Ministry of Electric Power, Ion Petre, technical director at the 23 August Enterprise, Barbu Gh. Petrescu, general director of the Central Institute for Economic Research, Corneliu Russu, director of the Institute of Industrial Economics, Vasile Scripat Florescu, technical director in the Ministry of Mines, Lucia Stanciu, head of the Science Section on the Bucharest Municipal Party Committee, Voicu Tache, rector of the Bucharest Polytechnic Institute, and Florin Teodor Tanasescu, Vice Chairman of the National Committee on Science and Technology/

/No 15, 15 Aug 86 pp 39-42/

/Text/ FLORIN TEODOR TANASESCU: Romania's socioeconomic development is based upon a modern industry incorporating in its structure the most useful advances of science and technology, and it is an essential aim of the policy consistently pursued by the RCP, while Nicolae Ceausescu has been playing an essential part in developing and applying that policy. At the Ninth Party Congress over two decades ago the party general secretary said, "Since it is going on in the period of the worldwide technical-scientific revolution, it is vital to base industrialization on the most advanced technology and to keep applying the latest scientific advances to production."

This policy of vital importance to construction of socialist Romania's modern economy is regularly and extensively reflected in the RCP's program documents.

We have now entered a new stage of socioeconomic development, that of the Eighth Five-Year Plan, the major aim of which is Romania's transition from the stage of a developing country to the higher stage of a medium developed country. The RCP believes that the Romanian economy's transition to a qualitatively higher stage in its development, the stage of largely intensive development, demands more intensive growth of the role of scientific research and technological engineering in order to make the most effective use of the material and energy resources and considerably improve product quality and social labor productivity. Accordingly it is highly important to adopt the most effective measures for better organization and modernization of the production processes. In speaking of the provisions of the socioeconomic development plan for 1986-1990 at the Plenum of the RCP Central Committee in June 1986, Nicolae Ceausescu said that it "provides for the shift to intensive development of industry, agriculture and the other activities in accordance with the decisions of the 13th Party Congress. It is intended to make every effort to implement the new technical-scientific revolution and the new agrarian revolution, which will lead to modernization of all socioeconomic activity and its elevation to a higher stage."

It may be quite rightly said that the strategy of modernization and better organization of the production processes, designed and applied under the party general secretary's direct guidance, is based upon the interdependence of some essential, objective technical, economic and organizational factors whose correlation provides for major production gains while lowering fuel and energy inputs, enhancing the quality and competitiveness of the products, and greatly improving labor productivity throughout the economy. On the basis of the planned changes in the manufacturing structures, some peak industries especially that have been intensively renovated such as synthetic chemistry, electronics and computer technology, precision machinery and metallurgy of special products will bring about a high economic effectiveness and Romania's increasingly representative participation in the international exchange of values.

BARBU Gh. PETRESCU: In the present stage of socioeconomic development and in the future the predominantly intensive development of the Romanian economy demands accentuation of the qualitative developmental factors that can lead to pronounced gains in economic effectiveness of all activities and in competitiveness of Romanian products on the international markets.

The Romanian idea of economic growth, to the development of which Nicolae Ceausescu is making a telling contribution, is to shift to a new and higher quality of economic activity, development and modernization of the productive forces, improved economic activity in all sectors and branches of the economy, and intensive development of the sectors bringing technical progress (electronics, electrical engineering, precision machinery and robotics), as well as modernization of the production structures, technical and qualitative improvement of the products, optimal use of production capacities, better use of resources, and reduction of production outlays.

Intensive modernization of the national economy directly depends upon pronounced growth of labor productivity. Its increase by more than 70 percent in 1990 from 1985 in industry and construction and its pronounced increase in agriculture and the other sectors as specified in the current five-year plan require better organization of production and labor, specific measures to improve the design and

production structures and the use of fixed capital, improved personnel qualifications, and modernization of production and the productive base. In the present stage these aspects are highly important from the standpoints both of the volume of efforts made throughout the economy and of higher quality of the activity performed. For these reasons and because the pronounced increase in labor productivity in the current five-year plan is to be obtained largely from higher technical and qualitative standards of the products and from mechanization, automation, robotization and cybernetization of the productive and other economic activities, it is necessary to manufacture products with a high degree of processing and competitiveness.

As the Romanian economy steadily develops, radical changes are being made in the production structure, a number of new products are appearing, and the roles of specialization and cooperation in the manufacture of better products are growing. If production is to be improved every economic unit must make greater efforts to establish the program for structural and technological modernization of the products, modernization of manufacturing technologies, and more efficient organization of the manufacturing flows.

Actual modernization of production and the productive base is favored by the existence of collective forms of management (general assembly, workers council) on various organizational levels, which forms permit workers' greater participation in solution of the problems of modernization, management and organization of the production process. Efficient modernization requires formation of extensive collectives with participation of personnel from all sections of the enterprise, as well as recruitment of specialists from outside the enterprise for this purpose. It is the mission of the organizational command instituted on the level of each enterprise to regularly check the way the modernization activity is performed, the implementation of the assigned objectives and tasks, their effects upon growth of labor productivity, reduction of production costs, etc.

The effort made on the scale of the national economy is significant for improvement of the technical and qualitative standards of the products and for their modernization and redesign. In 1985 the proportion of renovated products in the total output exceeded 45 percent. The planned aims of bringing the products of world quality up to about 95 percent and those above that standard up to 2-5 percent are highly important. In order to accomplish these tasks the economic units will have to adjust their production structures to the new demands more rapidly and employ modern methods of evaluation and control of product quality.

GHEORGHE MARINOIU: Nicolae Ceausescu said in his Report to the 13th RCP Congress that "Socialist society cannot develop without great efficiency and profitability in all fields. The party general secretary's idea of direct correlation between the effectiveness and the growth rates of production has been reflected in the strategy for Romania's economic development, which is inaugurating the period of new and higher quality in all activities by virtue of the noteworthy results obtained. The innovating and very realistic principle of achieving a new quality in economic activity is based upon the importance attached to the intensive factors for growth, especially greater productivity of social labor, higher technical and qualitative standards for the products, reduction of production costs and particularly of material outlays, better use of raw material and material resources, application of the latest scientific and

technical advances to production, and consistent promotion of original technical-scientific creativeness.

On the basis of the Decision of the Political Executive Committee of the RCP Central Committee of 14 December 1985, the Bucharest Municipal RCP Committee approved measures for prompt implementation of Nicolae Ceausescu's directions for modernization and better organization of production processes, more intensive growth of labor productivity, complete and efficient use of Bucharest industrial production capacities, further technical and qualitative improvement of the products, and lower inputs of raw materials, materials, energy and fuel. As the party general secretary advised us, we lent the entire action a revolutionary character of firm commitment of all communists in the Bucharest party organization to prompt and practical solution of the problems of the present stage of Bucharest municipality's socioeconomic development.

Production is being modernized and better organized under the direct supervision of the Bucharest Municipal RCP Committee in close collaboration with the economic ministries and industrial centrals. The Municipal Commission for Organization and Modernization was formed at the close of 1985, and it is uniting specialists in the research-design institutes and in higher education with responsible elements on the levels of the Municipal Party Committee and the economic ministries. The effort has been started in all units, with priority on the standard ones.

In Bucharest we have extensive opportunities to modernize and better organize production and to bring about technical progress more rapidly in all fields. Our industrial output amounts to about 14.5 percent of the total national output. Moreover the sector of machine and equipment building, including, including precision machinery, is heavily represented in Bucharest, as well as the automation and electronic equipment industries and that for electronic computer technology. This enables us to provide optimal conditions for the entire modernization program, with far-reaching technical and qualitative implications for all activities.

In keeping with the approved program, by 30 June 1986 over 3,200 improvement and modernization measures were applied in the industrial enterprises by their own forces, providing a gain in commodity output of more than 2.7 billion lei while lowering the total costs by nearly 1 billion lei, which will lead to additional profits of more than 640 million lei. According to the drafted plans, the elements of economic effectiveness will be accentuated in the second half of the year, and in 1987 we expect to increase the commodity output by more than 9 billion lei, to reduce production costs by 2.2 billion lei, and to increase profits by about 3 billion lei in national industry through organization and modernization measures.

The increased economic effectiveness will have far-reaching effects in all economic activities in Bucharest, and at the moment it is the main criterion for evaluating each collective's activity. We intend to make analysis and evaluation of party work in all fields of activity from the standpoint of the economic effectiveness obtained a practice of the Bucharest party organs and organizations on all levels, from the primary organizations to the regional sectors.

ION PETRE: Industry, and especially machine building, play a particularly dynamic part in the general progress of the productive forces, since it is in fact the material, technical and technological support of the development of the various branches and sectors. By constantly improving its products, the machine building industry makes increasingly efficient use of the raw materials, energy resources and social labor and accordingly makes Romanian products more and more competitive on foreign markets. Essentially, this means accelerated application of technical progress to the national economy through automation, electronization and robotization of production and other socioeconomic activities, through manufacture of machinery and equipment systems of modular and multifunctional design by means of structural unification of the elements and subassemblies, and through development of production of standardized components (especially electronic, microelectronic, pneumatic and hydraulic) by promoting the most improved technologies.

The machine building industry owes its growing role in the harmonious, balanced development of all sectors of the economy to its ability to contribute to the technical inventories of all sectors and to promotion of radical changes as well in the working conditions and levels of labor productivity. These elements characteristic of Romania's current socioeconomic development are also reflected in the activity of the Bucharest 23 August Enterprise, the stronghold of the machine building industry that has definitely shifted to scientific organization of production, labor and the enterprise's structures and to modernization and technical improvement in all sections. Modernization and improved organization of production, profoundly qualitative efforts, are in full course and Nicolae Ceausescu's directions given on his working visit to our enterprise are being followed exactly.

Analyses and discussions were arranged at every work place, with participation of the elements concerned, in order to adopt efficient measures leading to reorganization of the production flows, modernization of technologies, introduction of highly productive machinery and equipment, further use of robots, introduction of data-processing systems, and use of the latest advances in computer technology. Coordinating collectives were formed on the enterprise level to complete the programs for modernization and organization of production and labor, programs calling for specific measures leading to considerable gains in commodity output over 1985, especially that for export, and to greater labor productivity, reduction of outlays per 1,000 lei of commodity output and of inputs of metal, fuels and energy per unit of output, replacement of imported materials and further use of reusable materials. According to the 1986 Plan for Scientific Research, Technological Development and Introduction of Technical Progress, as well as the approved program up to 1990, the 23 August Enterprise is to assimilate manufacture of new machines, equipment and installations with better technical and qualitative performances up to world standards, such as 400-500 horsepower transportable drilling assemblies with rapid diesel motors, 300-1,100 horsepower hydraulic diesel locomotives, 750 and 1,300 horsepower diesel electric locomotives, 180 horsepower standard and narrow gauge hydraulic diesel automotive railway cars, braking equipment with a progressive charge, machinery for railway maintenance and repair, 1,000 and 2,000 horsepower motor compressors for gases, etc. In order to increase labor productivity and lower the material inputs, new and improved technologies will be assimilated as well as mechanization and automation systems, the technological and construction studies being primarily intended for assimilation of highly productive machine

tools and development of programs for computer-assisted design of cutting tools and components of equipment for the peak technologies.

Wide-Scale Renovation of Romanian Industry

CAROL MANITIU: To be sure the main directions and aims of socioeconomic progress in 1986-1990 fully confirm the importance of machine building to the development of all sectors of the national economy because of the wide assortment of highly advanced machines, equipment and installations it produces that are based on the latest scientific advances. The emphasis upon intensive development is based on the growing contribution of science and the expansion of technical progress in accordance with the programs drafted by the National Committee on Science and Technology and under the direct supervision of Academician Dr Eng Elena Ceausescu, through whose brilliant work Romanian science is contributing more and more to Romania's socioeconomic development.

It is to Nicolae Ceausescu's credit that he specified scientific organization of production and technological modernization as essential aims of the present stage without which Romanian industry could not cope with the considerable effort toward progress and renovation that it has undertaken. Both courses of action require a greater contribution of scientific research to discovery of the best ways to enhance the technical standards, quality and efficiency of all activities.

On the basis of the Decision of the Political Executive Committee of the RCP Central Committee of December 1985, by the middle of this year efforts were concentrated on preparing and applying organizational measures in enterprises and making improvements in the equipment and installations on the basis of the existing inventory, so that henceforth the emphasis in the activity will be on technological modernization, chiefly through measures to procure new machines and equipment, apply new technologies, and introduce mechanization, automation and robots.

I think it necessary to point out that the efforts toward scientific organization of labor and technological modernization are not two distinct or separate activities but closely interrelated ones forming a single whole. But the proportion of one or the other may be higher or lower in a given stage according to the objective necessities. In the present five-year plan it is objectively necessary to adopt organizational measures to improve the production structures by readying them to "take over" in the next stage all the changes required by increasingly rapid technological progress with its direct effects upon intensive growth of social labor productivity and overall economic effectiveness.

CORNELIU RUSSU: The shift from predominately extensive development (which largely characterized the period of socialist construction in Romania and consisted essentially of continuous quantitative amplification of the resources involved in productive activity) to the marked intensive development planned for the current period and the next decade is a very far-reaching and comprehensive process exacting radical changes in all economic-productive activities, technical, technological, organizational and managerial as well as those of training and improving the labor force, encouraging its creative and productive powers, and effectiveness. Even people's attitudes and behavior at work are an area of significant changes in the course of predominantly intensive socioeconomic development.

The transition from one kind of development to another illustrates the implementation in the economy of the dialectical principle of quantitative accumulations bringing about qualitative leaps in development at a given stage. The quantitative accumulations produced in the Romanian economy and especially in Romanian industry during the years of socialist construction and particularly after the Ninth RCP Congress made it possible to intensify the qualitative aspects of economic growth and to improve and harmoniously develop all socioeconomic activities. The technical base of the national economy and accordingly its productive potential were strengthened considerably. For example, in the 1965-1984 period alone fixed assets were increased by 5.63 times, indicating a considerable gain in an increasingly strong and modern economy's productive potential to reproduce itself, which is indispensable to development from the standpoints of competitiveness and efficiency of the national economy. The energy and raw material base was intensively developed, while the inputs of raw materials, materials, fuels and energy were reduced and recovery of reusable materials was enhanced. Scientific and technical innovations were regularly and extensively incorporated in productive activity, providing for further improvement in the technical standards of industrial activity and of the productive forces in general. Improved occupational training of the labor force was provided for, to meet the needs of general social development and in keeping with the progress brought about by the scientific-technical revolution, and increasingly efficient forms of organization and methods of managing productive activity were adopted that offer greater opportunities for the workers' initiative.

All these points prove that the Romanian economy now has a considerable technical-material base and creative-productive potential that must be objectively exploited with greater productivity and economic effectiveness in general in keeping with the technical, economic and organizational maturity and rich experience acquired in the constant confrontation with the increasingly complicated and difficult problems of economic development. When I say that the human, technical and material resources of the Romanian economy must be better exploited, I am thinking among other things of the fact, for example, that the comparative studies made of the inventories and economic-financial results of some representative Romanian enterprises and those of some in industrialized countries that are comparable in production structure, size, list of manufactures etc. clearly indicate insignificant differences in technical equipment and circulating capital that are sometimes even in favor of the Romanian units. But when it comes to the economic-financial results reflected, for example, in the value of the commodity output or of the profit per worker or per unit of value of the fixed assets, the differences are considerably greater and indicate that the Romanian economy has appreciable reserves for greater economic effectiveness.

Those reserves must be accurately determined and properly used, which is the major aim of the extensive effort to organize and modernize the production processes and all productive activity that was started at the beginning of this year at the suggestion and under the direct guidance of the party general secretary and consists of exploitation of the respective reserves in keeping with the new and qualitatively higher stage that characterizes the Romanian economy's development in the current five-year plan.

The detailed programs assigned to every industrial central and enterprise and every ministry and county include measures to organize production and labor,

introduce technical progress, and modernize the production processes, all for the qualitative purposes of reducing inputs of raw materials, materials, fuel and energy, lowering the material outlays and accordingly the production costs on that basis, raising the technical and qualitative standards of the products and enhancing their competitiveness compared with similar foreign products, using substitute materials, decreasing imports of raw materials, materials, machines, installations and equipment, cutting investment outlays, making more effective use of fixed assets, reducing the manpower employed in productive activity, and increasing the labor productivity and economic effectiveness of the entire activity. These aims of a pronounced qualitative nature serve the intensive development to which the Romanian economy is heavily committed and are helping to make it modern and efficient.

PANAITE DRAGUS: Firm promotion of technical-scientific progress in all economic units is vital to improved organization and modernization of the production processes, provided that modern working methods and technologies are used that can enhance the economic effectiveness of the activities performed. Therefore I think it is necessary now more than ever to permanently abandon the traditional and sometimes empirical analysis and evaluation of the various aspects of increased economic effectiveness and institute some working methodologies that can cover all the factors involved by approaching them in a scientific, comprehensive way.

The effort to modernize the production processes has met with a wide response from the workers at the Electroaparataj Enterprise, because the instituted organizational system enables them to make better and more effective use of their creative potential. The enterprise has instituted a central coordinating collective consisting of managers and specialists from various activities, three collectives specializing in structural modernization of the products, modernization and mechanization of manufacturing technologies, and improvement of production and labor, and 18 collectives on the levels of the productive sections and shops including professionals highly skilled in the fields of production and the technologies of the sectors to which they belong. The suggestions and measures submitted to the central coordinating collective for approval and application were included in 51 plans containing over 450 approved measures, for which specific time limits and responsibilities were set so that the planned economic effectiveness, which amounts to about 8 million lei, would be recorded by the dates set. As a natural result of participation of all categories of working personnel in the effort to modernize the production processes, our enterprise logged major gains in the main indicators in the first quarter of 1986 over the first quarter of 1985.

Obtaining increasing economic effectiveness and considerably surpassing all the technical-economic indicators heavily depend upon extensive participation of all categories of personnel in determining specific measures to accomplish the proposed objectives. Moreover I think that the quantitatively and qualitatively necessary personnel must be recruited if modern working methods and technologies are to be used on an increasingly wide scale in such vital fields as research and design, organization of production and labor, etc. This major requirement wholly conforms to the principles of self-administration, workers self-management and the new economic-financial mechanism and involves correlation of resources with objectives, and I think it must be effectively met by each individual productive unit in accordance with its own needs.

/Text/ VIORICA DOBRESU: Economic experience shows that most effective use of the technical, material and human potential presents a number of new problems whose efficient solution requires knowledge and competent use of scientific ways and means of concentrating and making the most effective use of the planning and production potential we have in order to accomplish our assignments in the Unified National Plan for Socioeconomic Development. Experience in drafting the programs for organization and modernization of the production processes for 1986-1990 showed that the complex problems of intensive development can be treated and solved only if all the elements concerned are sufficiently receptive to the facts and requirements of the present stage on the basis of innovative and truly revolutionary thought and interpretation. I mean by this that intensive development calls for radical changes in economic thinking and a sustained political effort to interest working personnel in general in new measures of a pronounced innovative and creative nature.

Approaching the assignments of the Industrial Central for Processing Plastics in this way, the collective concerned with problems of improving and modernizing production set some priority courses of action for the current five-year plan. One of these is to make more intensive use of raw materials in order to obtain greater quantities of physical products essential to the national economy from a ton of processed raw material. Upon analyzing the conditions in which this end is accomplished, we found that not only the processing section is involved (in connection with modernizing the equipment, improving occupational training of personnel, etc.) but other sections as well such as the polymer synthesis section, for example, which must supply matter polymers with improved and reproducible technological parameters for processing. Operational programs are now being drafted with the aid of the competent ministry both in our central and in the combines producing raw materials. Solution of the problems of intensive development accordingly involves other economic and synthesis sectors besides the respective producer units and calls for specific and prompt measures to improve industrial activity.

NICOLAE DOBRE: The specific aim of the industrial modernization effort begun in 1986 is to fulfill and overfulfill the plan tasks chiefly by increasing labor productivity while improving product quality and competitiveness, reducing material, energy and fuel inputs and also notably enhancing the effectiveness of the fixed assets with which the economy is equipped. Being relatively young, Romanian industry is outfitted with modern equipment, so that production and labor productivity will be increased primarily through better organization of production and labor, mechanized and automated transport means, better performances of the technological equipment, and the most effective use of the existing inventory. Another major way of modernizing industry is by expanding the use of the improved technologies that have been assimilated and verified in production and accordingly expediting application of the latest scientific-technical advances.

Along with improving the technological processes and the organization of production and labor, special emphasis must be placed on modernizing the products, both those in manufacture and the new and redesigned ones. Modernization of the products will enhance their reliability, durability and technical-functional parameters and reduce the material, fuel and energy inputs in their manufacture and the inputs in their operation as well. But modernization also means

replacement of some products with other, quite new ones, which is being done more and more frequently in the manufacture of materials, parts and components for the electronics industry.

Better Product Quality and Labor Productivity Through Greater Efficiency

RADU OPINCARU: A considerably more economically efficient use of energy through improved and modernized production is indeed vital. Obtaining and surpassing the best world results in energy consumption per unit of national income as soon as possible are major aims of Romania's current development. To that end the Directives of the 13th RCP Congress assigned the task of reducing energy consumption per unit of national income by more than 20 percent in 1990 from 1985. And over the whole 1981-1990 period the average index of energy consumption per 1,000 lei of industrial output is to be reduced by at least 40 percent, which will essentially enhance the whole economy's efficiency, while by the year 2000 that index is to be reduced by at least 2.6 times from 1980.

These aims are to be accomplished chiefly by reducing the energy inputs by extending and improving the energy norms and setting them scientifically, by modernizing the technologies and rationalizing the production flows, by restricting the use of energy-intensive raw materials and materials, by further increasing the productivity of conversion of energy from its primary form to that for use, by developing the less energy-intensive industrial sectors, etc. Besides these general courses of action others are also specified for the various sectors of the national economy, such as manufacture of highly energy-efficient equipment and improvement of welding processes in the machine building industry; less energy-intensive manufacture of cement, use of slag and ashes from thermoelectric power plants, and use of solar energy in drying processes in the construction materials industry; rationalizing the flows and raising the use index of the capacities in transportation; and reducing fuel consumption by improving machines and tractors, making rational use of pumping installations for irrigation, and introducing less energy-intensive irrigation systems in agriculture.

TRAIAN ISPAS: It should be said that the previously mentioned construction materials industry is actually one of the major energy consumers and therefore our institute for research and design in that field is making a priority effort to solve some problems of improvement and modernization of production, including cutting energy consumption in that way. I should like to point out that the construction materials industry is a recent development in Romania, primarily in the last 20 years, and that all sectors of the industry are now using modern technologies, most of which are the results of Romanian scientific research and technological engineering. Nevertheless the analysis of its present state compared with the industry's peak world levels, with the scientific and productive potential that we have, and with the aims of the national program for socioeconomic development indicates that this industrial subsector must also be fully involved in the effort to modernize and better organize the production processes.

With the direct aid of the specialists in research and technological engineering the collectives coordinating the modernization effort on the levels of the ministry and the industrial central as well as the working collectives in enterprises have made a critical analysis of all stages of production, from reception of the raw materials and materials to final control and packing, storing and dispatching

the finished products to the beneficiary. They also analyzed the way the manufacturing sections and productive units are organized, activity in the maintenance and repair shops, technical quality control, and transportation and storage of the raw materials, materials and finished products. The two poles of the axis of analysis and operations in enterprises constitute the existing situation, namely the level of technology, diversification and quality of the output, organization of manufacture, and the levels to be reached in 1990 and the following years.

For each separate product the analysis is based on and checks the description of the product (technical-operational and qualitative characteristics, specific inputs, productivity and profitability before and after modernization), the plans for modernizing the manufacturing technology, the controlling factors for modernization, the schedule of planned operations in the 1986-1990 period, and the program of scientific research and technological engineering studies to modernize the product.

Following this uniform plan the specialists in our institute drafted the technical-economic documentation to determine and describe the particular methods and operations for each unit in every sector of the construction materials industry to apply in order to modernize and improve the organization of the technological process for each product. The Bucharest Progress Design Institute planned the operations to modernize the reinforced concrete products, which are to be generalized gradually throughout the respective enterprises in Romania. The institute is in a position to promote the planned measures throughout the entire construction materials industry, with major technical-economic effects.

VASILE SCRIPAT FLORESCU: According to the directions of the 13th Party Congress, the socioeconomic development plan in the 1986-1990 Five-Year Plan emphasizes intensive development of the extractive mining industry in order to provide the coal and mineral substances essential to the rising national economy. Heavy tasks are assigned to the mining units in the coal sector, which are to produce 2.5 times more by 1990 than in 1985. Special emphasis is placed on increased production of energy coal in the Oltenia coal region, from which about 85 percent of the national lignite output is to be extracted. Increased extractions are expected of the mining units in the nonferrous ores sector (copper, lead and zinc) by 1990, amounting to about 2.5 times the quantities of ore extracted in 1985. The outputs of a number of nonmetallic substances will also be considerably increased, such as kaolin prepared for the ceramics industry, refractory clay, washed sands for foundries, limestone for the iron and steel and chemical industries, prepared graphite, salt for the chemical and food industries and many others.

Of course this growth rate of mining production demands a large volume of opening operations, preparations for working underground deposits and stripping operations in coal pits and mines in order to create new new production capacities, but at the same time firm measures must be taken to shift from extensive development, meaning major extra investments, to intensive development through modernization and improved organization of the production processes and wide-scale introduction of technical progress.

In order to carry out the Decision of the Political Executive Committee of the RCP Central Committee of 14 December 1985 on Modernization and Improved Organization of the Production Processes, all units are operating according to the

approved programs, which total about 1,600 measures for the Ministry of Mines as a whole. A large proportion of them are to modernize the technological production flows (44 percent) and to improve personnel training and organization of production and labor (20 percent). Within this broad program initiated by the party general secretary, standard units were selected such as the Lupoia Lignite Pit in the Motru Mining Combine, equipped with excavators with high-capacity rotors, the Paroseni Coal Mine in the Valea Jiului region, and the Baia Mare central plant for preparing nonferrous ores. These units will serve as models for the other mines, pits and plants for preparing ores.

We are specially emphasizing more intensive use of the existing production capacities, or leading technological equipment, in the production process. The measures specified in the special program for more intensive use of excavators with bucket-bearing rotors on the technological lines in lignite pits are examples of this, which program was drafted according to the directions of the party administration and Nicolae Ceausescu himself.

MIRCEA DRAGULIN: All activity in Romanian socialist society should be characterized by a high socioeconomic effectiveness. Hence the great importance of the aims and tasks set forth in the documents of the 13th RCP Congress for more efficient use of the energy and raw material base, more pronounced growth of labor productivity, and higher technical and qualitative standards for the products as controlling factors for socioeconomic effectiveness.

As for my field, which is scientific research and technological development in the heat sections, I wish to say that all these aims and tasks are specified and systematized in a program drafted by our institute with the help and guidance of the National Committee for Science and Technology. According to that program we are specially emphasizing reduction of metal consumption through expansion of such efficient technologies as centrifugal casting for example, and such an installation is operating now at the Bals Axle and Carriage Enterprise. Metal consumption can be reduced by 30-50 percent in the manufacture of petroleum equipment, components for nuclear electric power plants, etc. by expanding this process. Moreover in order to lower specific inputs of energy and materials we have approved, jointly with the specialists of the Brasov Truck Enterprise and the Reghin Metallurgical Enterprise, a process to make cast iron with nodular graphite directly from selected scrap iron, so that it is no longer necessary to make high-purity cast iron. This obviates remelting about 20,000 tons of metal per year and saves about 15,000 megawatt hours of power per year. But once such effective measures are achieved, all elements concerned must participate in their application and expansion as soon as possible.

In another connection, I would point out that we must make the fullest possible use of the reserves that still exist at the places of work, sections and shops for observance of technological discipline, consolidation of order and discipline at work, and more careful management of materials and equipment. We often pass through a forge where furnaces can be seen operating with open doors or loaded below their capacities. Neither we researchers nor the technical personnel in enterprises, with whom we must cooperate more closely to find ways of further enhancing economic effectiveness, have any right to be indifferent to such situations.

MIHAI NICULESCU: From the beginning of this year the specialists in the Institute of Technological Engineering and Design for the Metallurgical Industry have been concentrating on determining technological engineering procedures for industrial premises and plants declared model units under the Ministry of the Metallurgical Industry, namely the Hunedoara Iron and Steel Combine, the Tirgoviste Special Steels Combine, the Otel Rosu Enterprise and the Alba Iulia Refractory Products Factory. These procedures include measures to modernize and improve the technological flows and production processes for purposes of a marked improvement in labor productivity and product quality and decreased specific inputs of materials and energy. In this way they finalized the technological engineering procedures to make steel in ultra-high power electric furnaces with water-cooled walls and complete recovery of the burned gases, those for continuous casting of special steels, treatment and alloying of steels in a vacuum, etc. as well as those for rationalizing the technological flows by means of expanded automation and computer-assisted direction of the processes. They also designed automated installations for centralized control of the energy inputs as well as product quality control.

The efforts toward a pronounced increase in labor productivity led to wide-scale introduction of automation, electronization and cybernetization of the production processes in the plants and combines under the Ministry of the Metallurgical Industry, and the first robots in the metallurgical refractory materials industry were placed in operation, designed by IPROMET. We also intend to introduce some new and original technologies into production in order to obtain high-purity steels, reduce coke consumption in blast furnaces, and increase the proportion of domestic coals in the production of metallurgical coke. We are maintaining a productive collaboration in these fields with the experts in the Institute for Metallurgical Research.

All Workers' Participation in Promoting the Best Modernization Measures

PANAITE DRAGUS: As Nicolae Ceausescu said at the 13th RCP Congress, "Socialist society can develop solely on the basis of high efficiency and profitability in all fields." Accordingly growth of economic effectiveness in all activities, more pronounced improvement of labor productivity, and continuing improvement of product quality, which are major aims of the effort to modernize the production processes, are essential criteria for evaluating socioeconomic management. The very wide variety of problems that must be solved in this connection requires management of high quality itself based upon scientific principles, upon in-depth knowledge of the facts, upon use of advanced methods and forms of organization to evolve the best conclusions and decisions, and upon harmonious combination of the current and long-range tasks as well.

Improvement of the quality and effectiveness of the work in all activities also requires constant coordination of management with production as well as extensive active participation of all categories of workers in determining and adopting the most appropriate measures, so that their particular efforts will be correlated as closely as possible with the vital tasks of society. At the Electroparataj Enterprise this correlation is secured, among other things, by such measures as selection of personnel for advancement to higher functions, grades and categories according to the effectiveness of the suggestions, procedures or measures submitted for that purpose, and making completion of any form of

improvement of professional qualifications contingent upon drafting a plan or specific measures that would be economically effective in terms of reduction in handling, in total outlays, in the inputs of materials, energy or fuels, etc.

BARBU Gh. PETRESCU: As it has been pointed out in our discussion, the greatest possible efficiency in all activities and on all levels of the social organism is a main concern of the party and its general secretary himself. This emphasis is strictly objective of course and is based primarily upon the situation in Romania, but also upon consideration of the international situation and the trends and phenomena taking place in the world. Intensive economic development, of which growth of general economic effectiveness is very characteristic, is an objective process of broad scope including all sectors and regions of the national economy.

Intensive economic development is making changes in the mechanisms for use of the objective economic laws, that is in the system of social needs, economic interests and material incentives, in the methods and forms of economic management from the level of the economic units up to that of the national economy, and in the latter's entire operating mechanism. Growth of economic effectiveness and of labor productivity, based on the latest scientific and technical advances, is making quantitative and especially qualitative changes in all activities. It is also making structural changes in the nation's productive forces as a whole, permitting not only a full and more intensive use of the human and material resources but also a more rational one, and it is accordingly contributing to accelerated harmonious development of all socioeconomic activities.

But favorable conditions created in socialism for intensive growth of labor productivity, thanks to the constant progress of the productive forces, the nature of production relations, and the mechanism of the socialist economy, do not mean any automatic rise of labor productivity to a high level. Optimal use of the real existing possibilities depends upon the actual activity of all members of society and the guidance of the general efforts to mobilize and expedite all the factors upon which conservation of effort, working time and material resources depends, and the measures to improve and modernize the production processes are to have primarily that effect.

ION PETRE: As it has been said here, growth of labor productivity and further improvement of the technical standards, competitiveness and efficiency of every product indeed require optimal use of the technical inventory the economic units have and provision for high quality in all production at the lowest possible costs. As we know a number of indicators have been revised in keeping with those requirements, with more emphasis on the newly created value, net output, physical production and commodity output sold and paid for. This has permitted a realistic evaluation of the results by criteria and standards of effectiveness that better bring out every workers collective's own efforts to fulfill and overfulfill the plan tasks. I wish to say in this connection that the Bucharest 23 August Enterprise intends, through measures to reorganize the production flows, to improve its technologies, introduce highly productive machines and installations, expand the use of robots, introduce data-processing systems, etc. and to obtain a gain of more than 957 million lei in commodity output in 1986 over 1985, or a more than 15 percent increase, as well as a relative saving in personnel amounting to 6,106,000 man hours. Moreover labor productivity will be up about 15.5 percent, total outlays will be down 1 percent, material outlays will be down 1.1 percent, and effectiveness of fixed assets will be up about 13 percent.

FLORIN TEODOR TANASESCU: It can be said that the whole system of effectiveness indicators is closely bound up with the process of making science a powerful material productive force. Application of scientific advances to economic activity has become indispensable to progress and a sure way to raise the technical and qualitative standards of the products for greater labor productivity. Scientific research and technological development play a critical part in promoting measures for renovating and improving the production processes rapidly, modernizing the products, and thereby enhancing the overall economic effectiveness. Introduction of technical progress is an essential means to that end provided, of course, that it is properly correlated with the whole process of modernizing the economy. Accordingly in drafting the technical progress plan for 1986 and the following period up to 1990 the National Committee for Science and Technology introduced some subjects serving the priority tasks of modernization as well as some general research subjects permitting some closer correlations among various sectors. Moreover in order to improve the quality of Romanian products, the scientific research and technological engineering institutes plan to develop products and technologies with performances surpassing not only the present world standards but also those predicted for the next decade. A wide assortment of thermal motors and electronic motors will be assimilated in the next period, as well as high-performance electronic and electrical engineering equipment, electronic and precision machinery components, various materials with special properties, etc. permitting a high overall efficiency. A number of new technologies will also be developed to provide high productivity and quality and lower energy and raw material inputs.

To be sure none of these many objectives is considered in isolation, but in the context of solving the problems in the broad sense, implementing technologies and making products providing maximum efficiency. For example, robotization of some activities and production of completely automated sections are among the research subjects of the various kinds of institutes.

NICOLAE DOBRE: Modernization of production and products is usually a continuing process, actually meaning application of the results of science and technology, which are incorporated in products, materials and technologies. Therefore an industry is kept modern only if it is constantly fed new measures for products, materials and technologies at the developmental rate of science and technology in the respective stage. And it is well known that the only way to meet this requirement is to develop internal research.

Research work in Romania has always been based on programs, and the most representative and comprehensive program is the Program for Scientific Research, Technological Development, and Introduction of Technical Progress for 1985-1990, which as Nicolae Ceausescu said in his Report to the 13th RCP Congress is to provide "considerable improvement of the technical and qualitative standards of the products, a better production structure, increasingly efficient use of the economic resources, and more competitive Romanian products. By 1990 about 95 percent of the Romanian products will be technically and qualitatively up to world standards, and we will be making at least 2-5 percent of our products with technical and qualitative parameters that will make Romania foremost in the world."

It is characteristic of the modernization effort that is being made in all economic units and in the industrial centrals that it has succeeded in mobilizing

all technical personnel in the economy. The analyses made in the party and state administrations of the modernization of the various sectors of the economy indicated that the intervals between research and application of the new findings to production must be shortened and that new directions in research must be taken in all fields. For instance it is the first task of geology to increase the coal and ore reserves above those proposed in the research programs. But the production rates in the mining industry can be accelerated only by improving the equipment, that is by assimilating a system of highly productive machines consuming far less energy. Moreover mining research is expected to discover and apply to production technologies that will considerably increase the concentration of useful substances in the ores subject to preparation.

Raising the use of installed capacities in coal-based electric power plants to about 80 percent, and also lowering the coal inputs, so as to reach the level of efficiency of the world's most modern power plants is a vital task for the energy engineers and machine builders. Raising labor productivity in the manufacture of machines and equipment calls for some entirely new technologies, even automated manufacture of single and small series in some cases. The assignments to lower inputs of materials in machine building will be accomplished by redesigning the products to reduce their weight and by replacing scarce and expensive materials with new existing materials or some that will have to be assimilated. If machines and equipment are to be built with performances like those of the best comparable products in the world, both research and industrial manufacture must be conducted on a much higher level than the present one.

The machine builders have an important role and uncommon tasks in making machines and equipment consuming less energy in operation by increasing the productivity of the boilers, thermal and electric motors, machine tools, etc. For example, in the future it will be possible to obtain a ton of aluminum with 30 percent less power consumption only by finding entirely new procedures, some known to the world and others to be discovered by Romanian researchers. Accordingly the assignments in the modernization program in all fields require the definite start of a revolutionary change in all scientific research, technological engineering and introduction of technical progress in order to find radically new procedures, some without precedent in the world.

Critical Role of Scientific Research and Technological Development

NICOLAE BADEA DINCA: In his address to the Solemn Assembly on the Party's 65th Anniversary Nicolae Ceausescu said we have problems to solve that require, individually and as a whole, creative solutions in keeping with the current demands and the scope of the stage we are in. In particular, the new scientific and technical revolution is having a profound and constant effect upon society today, shaping it more and more strikingly. Tapping the impetus of this vast power that mankind has acquired throughout its history, the power that science and scientific knowledge represent, is indeed proving to be a vital problem of contemporary society in general and of Romanian socialist society in particular.

Promoting new procedures to improve the organization of production and labor and the efficiency of all activity as well as labor productivity is an objective requirement that is becoming more urgent in the present worldwide economic situation, wherein the problems of prudent use of material and raw material reserves,

reduction of production costs of the products and energy inputs, and best possible use of the available manpower are becoming acute. The contribution of scientific research and technological development to discovery of procedures, processes and technologies is critical as we have said.

Accordingly the microelectronic and computer equipment industry is a sector generating and promoting technical progress in its most advanced forms, having a very high potential in the most varied activities. The spread of computer and data processing technologies to all sectors is stimulating them in a number of ways. For instance, the technical and organizational production structures are being progressively adjusted to the particular conditions of operating on an information system. The relationships among the traditional production factors (raw material, energy and labor) are changing, and technical or economic information is being added to them as a resource with a directly productive purpose and a growing importance to the rational, efficient performance of any human activity. Incorporation of data processing technology in the inner structure of the productive forces lends them a new quality and a greater productivity, and it provides considerable opportunities for reducing material and energy inputs as well as handling and transport operations and increasing labor productivity. In general it can be said reduction of the repetitive elements lightens labor and accentuates its creative character.

The analyses and studies made showed that a large part of the manufacturing time of the products is spent on such auxiliary operations as transportation, handling and storage of parts and tools, regulation of the equipment, etc. Therefore some flexible manufacturing systems were developed to combine the productivity of the conventional automatic lines with the flexibility of the manual machine tools. The flexible manufacturing systems are mainly intended to automate single-, small- and medium-series production and are designed on the principles of group technology and cellular manufacture, which require modularizing and standardizing many components. Extensive use of mini- and microcomputers, industrial robots, machines with numerical command, automated transport and control systems etc., modifies the human role in the flexible manufacturing systems and focuses it on checking, preventive maintenance and repair operations, while the economic effects are spectacular. Labor productivity is increased by 1.5-3 times, manufacturing time is shortened by 30-40 percent, installed power and energy consumption are reduced by 30-50 percent, productivity of the equipment is about doubled, and the degree of exploitation of a ton of metal is increased by 2-5 times.

BARBU Gh. PETRESCU: As it has been pointed out here, modernizing the whole Romanian economy according to the sizes and rates of scientific innovations is a key problem. Accordingly, better organization of production and labor is to be approached systemically, on the levels of both the large enterprises and the medium and small ones, and in the various organizational units such as factories, plants, sections, shops, manufacturing lines etc. In the light of world experience it can be said that Romania still has considerable reserves for production organization that can raise the rate of economic development and the competitiveness of its products. I mean in particular the aspects of optimal proportioning of the units, such as the list of manufactures, volume of output, and degrees of integration, specialization and cooperation, so that they can readily

adjust to the new demands of the Romanian economy and the international market. The intensive development of economic effectiveness through introduction of modern methods of labor organization is intended to secure improved division of labor and cooperation, ergonomic organization, regular servicing of work places, and rationalized work on shifts.

The current modernizations of the national economy are integral parts of the intensive-qualitative process of its flexible adjustment to future requirements, since extensive technological and economic changes are intended that involve radical and largely qualitative changes and take the form of creating some new sectors and subsectors and increasing the importance of some fields and sectors at the expense of others.

The principles that determine the main characteristics of the party and state measures to further improve socioeconomic organization and management primarily include workers self-management and economic-financial self-administration. From the standpoint of purpose, organization and management as well as self-management and self-administration are intended to apply a series of measures to accomplish the assignments with the most rational and efficient use of the available material and human resources.

There are many close interrelations between organization and management and self-management and self-administration that stimulate each other. To apply the principles of workers self-management and economic-financial self-administration is to adopt an organizational structure and to use managerial and organizational methods and techniques that enable the economic units to operate on the principle of democratic centralism while providing for recovery of outlays out of the incomes obtained and self-financing of productive and social-cultural activities at the same time as basic requirements.

To this end Nicolae Ceausescu pointed out at the Plenum of the National Workers Council and the Supreme Council for Economic and Social Development in June 1986 that firmer action must be taken to improve management and planning of all economic sectors by harmonizing the work of the state organs with that of the workers democratic bodies and with self-management and self-administration in all fields, since they are actually a single whole representing the new form of workers revolutionary democracy wherein the workers and the entire people decide upon development and their own future.

As an integral part of the entire Romanian people's general effort to build the fully developed socialist society, the effort to improve organization of production and labor is designed and directed by the RCP as a vital means of accomplishing the main strategic aims of socialist and communist construction. As Nicolae Ceausescu pointed out, "All industrial personnel and all workers must realize that organization of production and labor is one of the most important reserves today for greater economic effectiveness."

ROLAND IONESCU: The extensive process of technological renovation and economic modernization requires mobilization of all forces of planning and execution and a precise organizational structure. To that end, on the basis of analyses and studies of all activities the Electronica Enterprise has set three main courses of action, namely structural and technological modernization of its products,

in order to reach the peak world level by 1990; modernization of manufacturing technologies through mechanization, automation and robotization as well as extensive use of computers in the production process; improved organization of the manufacturing flows through rationalization of internal transportation, relocation of production sections, and optimal use of production space and capacities.

The great objectives of modernization are pursued in conformity with these courses of action. For example, in order to carry out the specifications for growth of labor productivity, the tasks in that field were broken down according to all the departments (design, production, etc.) and differentiated in proportion to their possibilities of affecting that indicator, so that each department would find the measures for technological improvement or labor organization whose economic effect would serve the assigned one. This program also included the subject committees of the workers council and particularly the committee for scientific organization of production and labor and growth of labor productivity, which coordinates development and application of the respective measures. Due to the efforts made to carry out the measures in the modernization program, in the first 4 months of this year major gains were made in the indicator over the same period of last year: The commodity output was increased by more than 137 million lei, labor productivity was up about 25,000 lei per person, and the profit was about 31 million lei greater.

LUCIA STANCIU: In Bucharest, where important units for scientific research and higher education covering practically all industrial activities are concentrated, many of the measures required by better organization and modernization of production call for the concerted efforts of more specialists in various fields. The results of the last few years show that formation on the municipal level of mixed collectives for such problems as for example reduction of imports and energy inputs, exploitation of recoverable and reusable materials, promotion of new export products, renovation and modernization of the cold and heat technologies, etc. has solved some of the economic units' problems promptly and efficiently.

Under the leadership of the Central Committee for Coordinating Organization and Modernization, the Municipal Committee has checked and aided the completion, with greater efficiency, of the assignments for the first stage of the program (June 1986). It combined the production specialists' efforts with those of the researchers and teachers in higher education by forming interdisciplinary collectives who prepared programs for modernization and better organization of the production processes. New directions of development or modification of some manufacturing structures were also studied and investigated, and the needed technical aid was lent during implementation of the new technologies and assimilation of new products.

The general agreements for technical-scientific aid and research concluded between the institutes of higher education and enterprises (For example, the Bucharest Polytechnic Institute concluded such agreements with 16 enterprises) are intended to provide a portfolio of measures for the whole five-year plan and even beyond it, to concentrate the research potential on interdisciplinary subjects of major importance, and to perpetuate the faculties' relations with the large economic units in Bucharest.

VASILE SCRIPAT FLORESCU: In order to attain the higher growth rates of production in the extractive mining industry, in addition to developing the existing capacities and creating new ones for extraction and preparation of mineral substances, scientific research is called upon to solve a number of technical and technological problems in connection with working the coal strata in the Valea Jiului region at greater depth, working thinner coal strata, developing extraction of lignite from divided strata in sandy formations containing much water, economic exploitation of nonferrous ore deposits lower in metal content, and improving the quality of nonferrous metal concentrates and nonmetallic products. Focused on such priorities the plans for scientific research and technological development of the subject institutes under the Ministry of Mines include about 220 objectives concerning development of new and perfected technologies and creation of some new mechanization and automation systems. The program for overall mechanization and automation in the extractive mining industry for 1986-1990 includes 34 machinery and equipment systems for the mining units. Implementation of this program will permit more intensive overall mechanization of coal and ore extraction, thus providing for a major gain in the volume extracted from mines and pits.

5186

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MEASURES TO PROMOTE EXPORTS OF ELECTRONIC PRODUCTS

Bucharest REVISTA ECONOMICA in Romanian No 40, 3 Oct 86 pp 9-10

[Article by S. Arsene: "Exemplary Compliance With Exportation Contracts"]

[Text] In Romania, the development of the electronics and microelectronics industry, the production of automation devices, the growth of computer technology and electronic components, and so on, represent true creations of Romanian science and technology during the past two decades. They belong to the general effort to modernize the structure of the economy by stressing the development of advanced technology sub-branches as part of our industry's intensive development. In his recent speech to the Third Workers' Congress, Nicolae Ceausescu, pointing out the characteristics of the present stage in the country's development, stated: "Intensive development demands firm measures to raise the technological and quality level of products, so that they will meet production requirements in all standpoints and will assure ever greater competitiveness on foreign markets. It must be fully understood that the new stage of development of the Romanian socialist society demands, as an objective necessity, that the entire production be based on the newest advances of science and technology, this being the decisive factor for asserting the force and superiority of socialism, for our nation's active participation in the international division of labor."

The successful materialization of these requirements has led among other things, to the rapid development of the electronic industry, including industrial electronics, whose growth rate has outpaced that of other machine construction sub-branches. According to the data published in Romania's Statistical Year Book for 1985, the production of electromechanical and electronic measurement and control instruments has undergone a very rapid growth (more than 13-fold) during the past two decades (1965-1984), which is 2.3 times greater than that of industry, 2.2 times greater than the processing industry, or 1.37 times greater than the machine construction and metal processing industry.

This growth has brought our country into the ranks of exporters of industrial electronics and professional radiocommunication equipment. In what follows, we present the current concerns in this sector of the electronic industry for meeting the highest demands of the international market, and for fulfilling exportation tasks in an exemplary manner.

The major Romanian producer of industrial electronics and professional radiocommunication equipment is the Industrial Central for Electronics and Computer Technology (CIETC), through its specialized unit, the Enterprise for Electronic Measurement and Industrial Equipment (IEMI) in Bucharest, which provides more than 99 percent of the respective production. The major items in the production of industrial electronics and professional radiocommunication equipment are fixed and portable radiotelephones (more than 33 percent) and electronic measurement and control equipment (23 percent). In 1985, the exportation of these product was about three times higher than in 1980. During the same short period of time, some structural modifications also occurred in the geographical orientation of exportations, in the sense that in addition to socialist country markets, these products have penetrated into the markets of developing nations and capitalist countries.

Although IEMI has honored its exportation contracts for the current year, the mobilizing tasks of the current five-year plan provide that the 1990 production of the electronics industry be twice as high as that of 1985; electronic AMC's (measurement and control instruments) will increase 1.6 times, with a corresponding growth in exportation; to this end, workers' collectives in this sector will have to make sustained efforts to improve the quality of products and components, assuring their upgrading, and a technological innovation that will meet the demand of reference markets for these products.

What Does the Technical Reference System Indicate?

To more correctly appreciate the directions in which IEMI can act, and its future avenues for promoting exportation on foreign markets, we will examine some of the major trends imposed by the large companies in this field throughout the world (Techtronic, Fluke, H.P. in the United States; Rohde-Schwartz in FRG; Takeda Riken in Japan). Some of these trends are: raise measurement performance to extremely high levels; include new functions as part of the equipment; introduce facilities for data processing into the equipment; assure compatibility with automatic measurement systems by providing remote programming of equipment functions and standard interfaces; reduce size, power consumption, and implicitly improve reliability by using integration techniques; reduce assembly costs and increase the productivity of testing operations as a result of the progress made in semiconductor devices, using dedicated VLSI circuits and microprocessors.

Comparisons with the performances of large international producers have disclosed the major hurdles that still exist in fulfilling the tasks of the current five-year plan; they are: adoption by the electronic industry of advanced components currently produced by large specialized companies, providing dedicated electronic circuits, as well as improving technologies in the precision mechanics (switches, connectors, and so on), metallurgy, and chemistry (flexible materials, printed wiring, multilayer ceramics, and so on) sectors with which IEMI cooperates in obtaining its products.

At the same time, the implementation period for new products from design to production must be shortened by more closely integrating the research-

education-production cycle; modernizing assembly technologies, tools, fixtures, and AMC's; establishing test standards appropriate for the new products; assuring high performance and reliability for components (similar competing products operate for 100,000 hours); redraft to reduce dimensions and to provide attractive shapes that will give the Romanian producer a specific design, recognized as such on foreign markets.

Competitive Product Strategy

As we have indicated, development trends in electronic measurement and control equipment are established by the large companies (Hewlet-Packard, Techtronic in the United States, Philips in Holland, Solartron-Schlumberger in France, and so on), and are focused on two major orientations: specialization by family of products (Techtronic for oscilloscopes, Rohde-Schwartz for generators) and production of extremely varied products (for instance Philips).

Specialization by family of products necessarily implies the fabrication of advanced products which are in the lead throughout the world, and which at the same time assure corresponding prices. Generalized companies on the other hand usually achieve intermediate performances and time delays, even though they follow the lines of specialized firms.

In their development strategies, the socialist nations have proposed to diversify the range of equipment, especially for high technology products. The best known producers and exporters of electronic measurement equipment in socialist countries are: VEB Mikroelektronik-Erfurt (produces digital AMC-ME) and VEB Messenelektronik-Berlin (oscilloscopes, selective voltmeters, pulse and interference measurement instruments) in GDR; EMG-Budapest (AMC-ME, microcomputers for automatic measurement systems, oscilloscopes, digital multimeters, pulse generators, signal and function generators, analyzers, universal counters) in Hungary; Tesla-Brno (oscilloscopes, generators, synthesizers, vector-voltmeters, digital multimeters, programmable instruments) in Czechoslovakia; Elmasz-Warsaw (generators, selective voltmeters, universal counters, digital multimeters, radiotelephone testers), UNIPAN, and IROCO in Poland.

Romania produces electronic measurement and control equipment for electric and non-electric functions at IEMI (oscilloscopes, high frequency generators, frequency meters, tensometers).

As part of CEMA, our country has been interested in specializing in the areas of voltmeters, modulometers, signal generators, logic comparators, and so on, products for which we have already acquired experience with positive results.

The best known producers of radiotelephones in socialist countries are: Radmor-Gdynia, with a diversified range of mobile, portable, and fixed radiotelephones, radiotelephones for ships and electric locomotives, and so on; Palma-USSR which produces only for domestic needs; RTF-GDR; and Budavox-Hungary.

In professional radiocommunications, where IEMI produces a varied range of portable, mobile, and portable radiotelephones, the field has evolved in two stages, as a function of the manner in which operating frequency is obtained: conventional systems with quartz crystal oscillators, which limit the maximum number of channels to 12; and frequency synthesis systems, which with a relatively small number of quartz crystals produce frequencies for hundreds of channels.

The present strategy in radiotelephones is focused primarily on feature diversification: calling that is selective, two-tone, or more recently sequential with five tones; interconnection of a mobile radiotelephone network with an urban telephone network; and so on. In addition, due to crowding in the conventional frequency bands (30-174 MHz), higher operating frequencies have been adopted (above 300 MHz, and in the United States even above 900 MHz). In commercial terms, the major radiotelephone buyers will continue to be the United States, western Europe, and Japan, importers which will considerably increase their product quality and reliability requirements, insofar as they have already moved to intensive utilization of automatic access radiotelephones in urban telephone networks. Developing nations will also buy a larger number of radiotelephones, but it is expected that they will generally use conventional systems.

Romania has established a mobilizing program for developing the production and exportation of radiotelephones, by producing all types and all bands equipped with frequency synthesizers. Our country is also making efforts to increase and diversify cooperative actions with other nations.

Technical and Commercial Exportation Programs

In order to most efficiently promote the Romanian exportation of industrial electronics and professional radiocommunication equipment, we believe it is necessary to adopt the following measures for future production strategies: hasten the fabrication of TH, T, M, and MU types of electronic measurement and control, and of radiotelephone equipment that will operate under the most diversified conditions of temperature and humidity; develop the production of programmable and interface instruments which will operate in automatic measurement systems, a development based on microprocessor implementation; improve the performance and precision of electronic measurement and control equipment by including new functions; improve specific performances by using special professional components; reduce size and power consumption, especially in portable equipment; develop research and design capabilities consistent with the needs generated by these objectives; implement CMOS circuits and microprocessors, as essential factors in building new types of equipment with lower consumption; replace outdated technologies and implement new, superior ones.

In distribution, measures must also be adopted that will help increase the role and efficiency of these exportations; among these measures, we believe that the following are more important and have greater chances of being implemented:

Greater involvement on the part of foreign trade enterprises in exporting industrial electronics and professional radiocommunication equipment, either by distributing and sharing them among production enterprises, or by developing with producers, exportation departments capable of competing on foreign markets;

Build showrooms that can be used both in prenegotiation stages, and to create stocks of samples for rapid shipping to possible partners;

More intensively use the possibilities offered by comprehensive exportations, by popularizing IEMI products among the country's large design institutes, which are often general exportation suppliers;

Publish brochures and catalogs in an attractive form and several languages, and establish a more diversified protocol foundation;

Participate more intensively in international fairs and shows in various areas of the world, and primarily in developing nations, which are potential buyers;

Organize a service activity, both for domestic production and for products imported by Romania from large companies;

Offer model service laboratories equipped with electronic measurement and control instruments produced by IEMI.

Possibilities for developing and improving activities also exist in production, technical-scientific, and trade cooperation.

Because cooperative actions cover longer time periods, they will provide stability in relations and will vest the interests of partners in a dynamic, evolutionary manner which will allow the Romanian parties to ultimately assume full responsibility for production, while continuing technical-scientific collaboration in the same area.

The suggested proposals in no way exhaust the range of existing possibilities; we believe nevertheless that their implementation would promote the Romanian exportation of industrial electronics and professional radiocommunication equipment more efficiently and under more competitive conditions, thus deriving greater value from raw materials, energy, social labor, and so on.

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TIMELY COMPLETION OF INDUSTRIAL UNITS URGED

Bucharest REVISTA ECONOMICA in Romanian No 40, 3 Oct 86 pp 2-3

[Article by Alexandru Tache, Investment Bank: "Strict Compliance With Installation Schedules for New Objectives"]

[Text] Among the major actions which determine the timely completion of physical plan tasks, is the scheduled installation of new production capabilities planned for the current year and for the entire 1986-1990 five-year plan. Any delay in their completion creates a chain of problems in fulfilling the plan for many economic units, since many objectives are also intended for production tasks. By contrast, hastening the execution of new facilities makes it possible to achieve an additional material production which expands either the economy's raw materials base, or the volume of products that are in great demand on the domestic or foreign markets.

In referring to the need for an exemplary completion of investment programs, the secretary general of the party, Nicolae Ceausescu, emphasized to the Third Workers' Congress the need to most firmly implement the measures established to successfully fulfill the plan during this first year of the eighth five-year plan, and to install on schedule all planned production objectives. What is the situation at construction-installation sites after the first nine months of this year? What measures have been taken to hasten activities, so that all the objectives whose operation was scheduled for 1986 will be completed in an exemplary manner?

Meanings of Advances and Delays

In many cases, the mobilization of efforts on the part of all involved (designers, builders, installers, equipment suppliers, and users), as well as the use of new methods and technologies in organizing construction sites and carrying out the work, have shortened the times planned for various activities, and ultimately advanced the date on which some large objectives were placed in operation. During the period of 1 January to 20 September of this year, about 166 large facilities were fully or partially brought into the production circuit. At the same time, 14 investment objectives were (fully or partially) completed ahead of schedule. Notable among these is the development of the stainless steel tubing department at the Republica tubing plant in Bucharest; the facility for 15,000 tons/year of refractory materials

and concretes (development and modernization of the fire clay department) at the Azuga Fire Clay Plant; the installation for producing decorative plywoods and panels at the Piatra Neamt Wood Processing Combine; the Iasi brown coal power plant of the Electrocentrale enterprise in Iasi; the installation for steel slag utilization at the Resita Steel Combine; the small products mill at the Tirgoviste Special Steels Combine; and so on.

The situation at these objectives, and in fact the good experience obtained by a large number of construction-installation organizations, proves that at sites where all the necessary technical-organizational measures have been taken in time, and where good collaboration exists between builder, user, and equipment suppliers, schedules for the new objectives were not only respected, but even hastened, with economic activities falling within planned efficiency parameters.

The analysis performed indicated conditions at some sites where activities are not carried out at a satisfactory level, either due to local shortcomings, or because materials suppliers or users have not fulfilled some of their obligations. The major argument in this respect is found in the 125 unfinished investment objectives with expired execution dates. Most of the delays are found with plan assignees in MIM, MEE, MMPG, MIPch, MIIMC, MICH, and others. At the same time, when one considers that the majority of the facilities that were not installed on schedule represent objectives of particular importance to the national economy (the Oradea II brown coal power plant, the Turceni II power plant, the mechanized casting and shipping of steel alloys at the Tulcea Metallurgical Combine, and others), the implications of this situation cascade into various economic sectors and branches, while raising the need to speed up work at these sites, so that delays will be rapidly recovered by the end of the current year.

This unquestionably means that efforts must be concentrated on the rapid and total elimination of shortcomings which persist in investment activities at all sites, from builder, to user, and to suppliers of technical equipment. This approach, repeatedly stressed by the secretary general of the party, represents a viable and entirely feasible solution when all parties involved in the investment process take all the necessary steps to effectively and efficiently fulfill their plan tasks.

Undesirable Implications Of Stocks And 'X-Raying' Some Causes

One problem that is still not completely solved at all construction sites is the existence of rather high stocks of equipment, most of whose storage time has been exceeded. For the first eight months of this year, the volume of uninstalled equipment was 15.3 percent higher than at the corresponding period of 1985, insofar as much less of the equipment installation plan for August of this year was completed. Significant delays in this area are found at sites belonging to MEE, MIM, MMPG, and MIPch. In addition to the undesirable implications on the economic efficiency of activities in this area, the existence of these stocks is further proof of the fact that the execution rate at some sites, especially for installations, is inadequate, with direct effects on the scheduled operation of new objectives.

There are two major causes for this condition. On one hand, the existence of delays in equipment deliveries by suppliers, and in many cases the shipment of equipment that is not ready for installation, and on the other hand, the unsuitable rate of installation activities at some sites (Turceni II power plant, opening and exploiting the mining area Amaradia-Tirita, developing the production of dyes and intermediates at the Giurgiu Chemical Combine, and so on). Added to these is the fact that incomplete, unmatched equipment and tooling has been shipped in some cases (Craiova CET, Iasi Heavy Equipment Combine, and others), that equipment was bought ahead of installation needs (development of dye production at the Giurgiu Chemical Combine, development at the Navodari Chemical Fertilizer Combine, and so on), that installation work was not completed for basic equipment, and so on.

As shown by investigations and analyses, it is absolutely necessary during the upcoming period that the major plan-assignee ministries (MEE, MIM, MMPG, MICH, MIUG) more effectively intensify installation operations by organizing them into two shifts, so as to create the installation fronts needed at all sites that store large equipment stocks. At the same time, users can act more energetically to eliminate these stocks, and implicitly hasten the start of operations, by providing constant support needed for installations, and by making available to builders specialized teams from their own personnel. A no less important responsibility in this respect falls upon supplier units in MICM and MIUG, whose duty it is to urgently deliver equipment, as well as the equipment parts that determine the efficient installation of existing stocks of equipment.

It is clear that failure to complete planned investment objectives on time continues to immobilize significant amounts of funds. The volume of funds frozen in investments under construction and unfinished, represents a rather large amount (approximately 11.5 percent more than in 1985), due especially to delays in fulfilling the investment plan, and primarily in starting operations. As Nicolae Ceausescu has pointed out on numerous occasions, reduction of these immobilizations requires first of all a reduction in the number of objectives under construction at the same time, by speeding up the completion and start-up of all facilities left over from past years.

The volume of funds involved in investments is growing, due on one hand to the assurance of work fronts to complete established programs at the pace stipulated in the plan, and on the other hand, to the fact that work was started on a number of large objectives (more than 600) with construction durations of several years. Nevertheless, fundamental analysis discloses that some undesired conditions exist in this area, which must be eliminated as fast as possible. For instance, the volume of funds immobilized in investments that have not been started on time, in equipment stocks whose storage time has been exceeded, and in available tooling, represents about 40 percent of all the funds involved in investments under construction and unfinished, with the proportion being even higher in some sectors (metallurgy, chemistry, machine construction, light industry).

A study of the causes of this situation discloses that they are primarily: delays in fulfilling start-up tasks due to the scattering of investment activities over a relatively large number of construction sites; failure to

assure an adequate construction rate at all sites due to weaknesses in the activities of construction units regarding the organization of production and labor, in- efficient use of technical-material capabilities, and so on (opening mining projects at the Valea Jiului Mining Combine, the new Pascani-Tg. Neamt railway line, and others); delays in starting and excessively long technological tests at some production facilities, where construction-installation work is completed (the Electrocentrale enterprise in Hateg, the Calafat Biosynthesis Enterprise, and so on).

Two Essential Moments in Investment Completion

The construction of investment objectives requires the consumption of material and money resources for a certain period, and the reaping of anticipated effects in a subsequent period of time. These two essential moments in investments are not independent of each other, but rather correlated in an organic bond of cause and effect. The economic results obtained after investments are placed in operation will decisively depend on the manner in which the investment resources are managed and on the technological level of the completed objectives. Rigorous compliance with construction schedules and dates for starting operations therefore play an especially important role in assuring high investment efficiencies, since from the moment new facilities begin their operations, society begins to recover in return, on a greater scale, the means which it had provided earlier. That is why in order to correct this condition as urgently as possible, programs of concrete measures with specific responsibilities have been established at construction and installation organizations, users, equipment suppliers, as well as the Investment Bank, so that by the end of this year, all objectives scheduled to be placed in operation in 1986, will be brought into the production circuit and will create the conditions necessary to successfully start next year's activities. Among these measures are:

Accept for financing only objectives with assured conditions for starting and execution, such that they will be completed on approved schedules and that all production capabilities will be placed in operation on planned deadlines;

Fulfill the tasks stipulated in installation schedules and eliminate fund immobilization in equipment stocks. To this end, plan assignees have the obligation to assure timely deliveries for installation, and users the task of effectively participating in carrying out installation operations;

Use as many documents and drawings as are available at new investment projects, and when this is not possible and is not economically justified (documents no longer match present construction methods, material and energy consumption does not fit into current standards and regulations, or energy intensive construction features are stipulated), request according to law, that they be exempt from management.

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DELO REPORTS MIKULIC TALK WITH MIGRANT WORKERS

AU162102 Ljubljana DELO in Slovene 10 Jan 87 p 4

[Text] Belgrade, 9 January--"Yugoslav society has opted for a more comprehensive and dynamic development of small businesses. This is not an issue concerning short-term needs; this must remain a lasting orientation and an integral part of Yugoslavia's future development. The difficulties confronting us at the present time have also helped us to rid ourselves of the dogmas and disillusion which hampered the development of small businesses as a whole and in the private sector, in particular. We are aware that there are bigots and people who, by misusing their positions in the state and political apparatus, hamper the development of small businesses in the private sector, that there is corruption and even criminal behavior and unjustified suspicion of our workers temporarily employed abroad who have earned their money through their own labor and who want to invest it in the manufacturing sector in the country. We are treating this very seriously," Branko Mikulic, president of the Federal Executive Council, said in a conversation with the Yugoslavs who work and live abroad.

"Our country possesses great untapped potentials and comparative advantages for developing small businesses in, for instance, tourism, agriculture, the development of manufacturing and handicraft trades sectors, service industry, etc, Mikulic said. For this reason we have decided to view the development of small manufacturing and service capacities as one of the priority tasks of our development policy, to stimulate this development by economic policy measures, and to afford small businesses a corresponding treatment in our economic-system solutions," Branko Mikulic went on to say.

More and More Workshops

"A strategy of the country's technological development will be adopted shortly. In this context we will put special stress on the development of electronics and computer technology, the two areas which could become very attractive for many of our experts engaged in this kind of manufacturing and development abroad. In the 1981-85 period certain results were achieved in developing small businesses (for instance, the number of privately-owned shops increased by 28 percent and the number of people employed in them rose by 36 percent). However, all the existing potentials for the development of small businesses have not been exploited, even approximately.

"In May last year we passed two laws: on using funds owned by the citizens to expand the material basis of organizations of associated labor, and the law providing for the terms of writing off the value of working and fixed assets which had ceased to be used. The first law made it possible for our workers temporarily employed abroad to find, on return, employment in organizations of associated labor in the social sector in Yugoslavia. It also created the conditions for more firmly pooling associated and personal labor and for acquiring a part of funds needed for expanding the material basis of associated labor. Under the second law, organizations of associated labor are obliged to allow interested private firms and persons engaged in handicrafts to buy their fixed and working assets which are out of use. This will provide the scope for transferring these assets to small businesses in the social and private sector, thus increasing production and employment without new investments.

"A number of by-laws and regulations passed last year raised the limit to which Yugoslav citizens temporarily employed abroad are allowed to import equipment without having to pay customs duties. In addition, customs procedures have also been simplified.

Lower Own Share

"I want to remind you that at the end of 1985 a law was passed providing for terms of granting and using investment credits and guarantees. Under these terms private people in small businesses are granted more favorable treatment as regards the size of the deposits which they have to provide before the banks grant them investment credits. In other words, we fixed a lower share of their own money for small businesses. This also applies to other types of economic activity which are given priority in our development.

"We have also increased the scope for carrying out economic activities in small businesses sector as regards both the use of technical and working capacities (the possibility of employing 10 persons in all small business sectors and an unlimited number in contracted organizations) and as regards the number and types of activities.

"These new features in the regulations, provide for more favorable conditions for the development of small businesses and ensure uniform terms of economic activity in this sphere of work for the entire country. In this way we shall eliminate many problems and justified criticism which stemmed from the differing ways in which individual republics and provinces regulated these issues and from different and often dogmatic conduct by individuals in the state apparatus and their interpretations of these regulations, on small businesses.

"Other measures are also under consideration designed to stimulate the development of small businesses. They include measures of tax policy aimed at achieving a more uniform system of taxing small businesses throughout the country; adjusting the amount appropriated from the total income of manufacturing and service units for tax purposes to the economic strength of these subjects, and diverting revenues thus collected toward further developing small businesses; bringing into line contributions paid by this sector with the contributions by the social sector thus avoiding differing and prohibitive tax policies

in different municipalities. We shall shortly reexamine import restrictions on equipment not manufactured at home for which our workers temporarily employed abroad would not have to pay customs duty if it is established that the equipment would facilitate the further development of small businesses.

"We shall also examine the ways of encouraging commercial banks to give a more powerful stimulus to the development of small businesses and housing construction industry through their credit policy and on the basis of citizens' dinar and foreign currency savings. At the same time as pursuing a policy of real interest rates on dinar savings we shall introduce measures for stimulating, on a selective basis, foreign currency savings by our workers temporarily employed abroad (depending on the purpose, the length of time for which savings are deposited, and the size of the savings).

"The Federal Executive Council will assess the appropriateness of forming its own special working body which would be continuously concerned with questions of developing small businesses.

Equal Treatment as Foreign Citizens?

"We will shortly also be clarifying the question as to whether citizens of the SFRY who have earned their financial resources in an honest manner by working abroad, and who have a correct attitude toward Yugoslavia and the country in which they live, who are the owners or co-owners of firms abroad, when they invest their funds in organizations of associated labor in Yugoslavia, should be treated in the same way as foreign investors. We consider, Mikulic emphasized, that there is no reason to differentiate between them and the citizens of other countries when it comes to realizing the rights envisaged in the law on joint investment."

Branko Mikulic recalled the recent important improvements made in the law on the investment of the funds of foreigners in domestic organizations. He mentioned that the surplus of net earnings from joint business activities is defined so that it is identical to the category of gains, that is profits and the profit of the foreign investor has no advance limit placed on it. The foreign partner may also invest in joint business activities a greater amount of capital than the domestic organization. The principle of the limited liability of the foreign investor has also been established, which means that the risk and liability of the foreign investor in joint investment are limited only to the amount of the funds invested. The foreign investor is guaranteed the return of the real value of the funds invested and he may freely transfer profit realized in foreign exchange, depending naturally on the foreign currency earnings realized in the joint venture.

"The conditions under which the rights of foreign investors are realized cannot be changed or restricted by any measure of current economic policy: Instead of having an advisory position in the joint management organ, the foreign partner is able to have an active relationship and influence on all business decisions. It has been established that losses in joint ventures arise if the income realized through joint business activity is insufficient to meet the commitments of the joint business. The organization of associated labor freely

pays the maturing claims of the foreign partner in the joint venture from a part of export earnings, but if the supply and demand for foreign currency on the Yugoslav market are not in equilibrium, these claims are paid in order as is the case with payments under foreign loans, etc. A further reanalysis of this law is to be undertaken shortly, with the aim of introducing into it further improvements to encourage these investments."

[The following five passages are printed in bold type in boxes within the text of the item]

[First boxed passage] We are in the process of discussing and adopting an agreement on regulating the terms and manners of carrying out economic activities when using personal labor, assets owned by citizens, employing contracted organizations of associated labor, and pooling into cooperatives. The agreement will shortly be signed by the republics and provinces. This document is expected to regulate the conditions for carrying out economic activity in small businesses sector and the conditions for opening shops by different organizational forms of small businesses in a uniform way for all Yugoslavia. Both the terms and procedure for acquiring necessary work permits have been considerably simplified and relaxed. It has been envisaged that, upon receiving a citizen's request for a permit to open a manufacturing unit or a shop, the relevant administrative organ is duty-bound to draw the citizen's attention to possible mistakes and shortcomings in the documents submitted and within 15 days either to issue the work permit or to refuse it. Failing this, the citizen can assume that the permit has been approved. In addition, the number of documents required has also been reduced considerably.

[Second boxed passage] In drawing up the changes in the SFRY constitution, the federal Executive Council proposed, and the SFRY presidency approved, an initiative for expanding the possibility of putting the resources of citizens (financial resources, equipment and spare parts, land, forests, plantations, appliances, work premises and their rights to use them) to work-production use in order to expand the material bases of associated labor, and for establishing constitutional guarantees of the legal and economic security of invested resources for expanding the material bases of private work by citizens. In other words, this means that, just as with foreign investors, the rights of citizens of the SFRY cannot be reduced by law or by other regulations after the agreement, whereby these rights are established, has come into effect.

[Third boxed passage] We are particularly interested in the development of production and those service capacities which will contribute most to the development of the country, to the establishment of a more balanced economic structure in Yugoslavia, and to establishing better facilities for tourists. We are oversaturated with small cafes and restaurants employing just one person, but we are short of small modern tourist hotels. We lack many manufacturing units. It is quite justified to suggest that in privately owned production and service activities the right should be given to a large number of employees. In contractual organizations that number is not restricted now.

Rumors have been circulating abroad recently. To the effect that Yugoslav might apparently do away with the foreign currency accounts of citizens. I would

like to take this opportunity to say to you and to guarantee on behalf of the Federal Executive Council that this will not happen, and that we have never considered this. All citizens of Yugoslavia who invest their funds in foreign currency accounts can be completely sure, both now and in the future, that there will be no risks of this kind. They may freely invest their foreign currency in Yugoslavia, whereby they will assist its development, and we guarantee the security of their funds. Any conversion of foreign currency into dinars will always be a matter of the free choice of the owner of the foreign currency account.

[Fourth boxed passage] Attention should also be drawn to the experiences of the highly developed countries where major industrial firms are surrounded by, as he put it, entire galaxies of small businesses. For instance, in the FRG, for every three people employed in industry there is one worker employed in the small business sector. In Japan, as much as 50 percent of the employed population works in the small business sector. In the United States 60 percent of new jobs is in the manufacturing and service units employing under 20 people.

[Fifth boxed passage] We proceed from the view that small businesses should become one of the more significant generators in the country's development, and an instrument for attracting people's savings, including foreign currency savings by our workers and citizens temporarily employed abroad which means using these considerable potentials for developing production and realizing our development goals. In order to achieve this we have decided to provide more scope for carrying out the initiatives put forward by the working people and citizens who see their opportunity for work and future in private employment in small businesses or in cooperation with the social sector which will enable them to lead a respectable life.

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CSO: 2800/101

RESTRICTIONS PUT ON PUBLIC VIDEO VIEWING

Budapest MAGYAR NEMZET in Hungarian 17 Dec 86 p 4

[Second in a series of articles by Istvan D. Denes: "A Brief Hungarian Videography. Part 2. We Regulate and Tinker With the Regulations"]

[Text] Should the word "jungle" come to anyone's mind upon reading the first part of our series, let me reinforce the aptness of this word association merely by noting that, without exception, every expert I have met has been able to add more stories to the ones I have already related. Evidently, some of the cases are sheer fabrications. But it is likewise obvious that false rumors and alarming tales thrive only where conditions are chaotic, where there is a confusing hodge-podge of bans and licenses, of loopholes and signs of a shortage economy. Well, the videocassette market is unquestionably a peculiar focal point of all these concepts.

1. The following is an excerpt from a circular from the Films Main Administration of the Ministry of Culture and Education, sent in May of this year to the councils' culture and education departments:

"The spreading of videocassette recorders in Hungary has been accompanied by an influx of ideologically harmful products into the country, in the form of various films that depict violence, inspire horror, are pornographic or politically objectionable (anti-Soviet or offensive to some other fraternal country). Over and above the Culture and Education Ministry's responsibility for cultural policy, the avoidance of international complications arising from obvious infringements of copyright necessitates our raising this issue and formulating a standpoint on it." To this we wish to add merely the comment that authority to license the public showing of videocassettes rests with the councils.

Dr Zoltan Kiss is a staff member of the Films Main Administration and has also been studying, among other things, the legal aspects of videocassettes. "What a person plays on his VCR in the privacy of his home is his own business, and in the practice of the Hungarian courts there is no precedent of a conviction for home viewing," he pointed out at the beginning of our interview, suggesting that we confine ourselves to discussing the public showing of videocassettes. He immediately placed before me a summary report of the National Chief Inspectorate of Trade, on a series of inspections the latter had conducted. The summary report reveals what anyone is able to experience in practice: more and more public catering establishments are playing video recordings. Specialists visited nearly a hundred catering establishments

recently and found that--shockingly, but not at all surprisingly to anyone familiar with the background--more than half of the establishments were playing videocassettes without a license. Furthermore, practically all these establishments had on their programs productions for which Hungary had not obtained distribution rights, or which the Films Main Administration had not approved for distribution. And it also turned out that the specialized administrative agencies of the councils at the various levels were not inspecting the public catering establishments. (Lacking a suitable staff for this purpose, they were not even able to conduct inspections!)

Dr Kiss notes: "Perhaps we can attribute to this also the fact that in the past two years, to our knowledge, there were only 20 cases in which criminal proceedings were instituted against one or more persons, for playing videocassettes illegally. We testify in such cases as expert witnesses. On the other hand, we know that violations of the administrative regulations are extremely frequent, but the maximum fine of 10,000 forints that can be levied for a petty offense is no deterrent at all. Compare the fine with the potential business profits that could amount to several hundred thousand forints or perhaps even a million."

2. Karoly Kozma, a section chief of the Films Main Administration, takes over: "The danger of the unauthorized playing of videocassettes in public lies not only in that occasionally they may offend public sensibilities or be in conflict with our cultural-policy objectives. Questions of copyright are also involved. Namely, Hungary is a signatory to the international conventions on film distribution, respectively on copyright. For example, if a foreign firm holding the copyright to a videocassette finds that its film is being shown publicly, without payment of a royalty, it may sue; and it will very likely win its case. Through several years of effort we have been able to achieve that Hungary now pays a lump-sum royalty for a foreign--in this case, Western--film shown in this country. In other words, box-office receipts do not affect the amount of the royalty. This arrangement is to our advantage, and we must not jeopardize it by giving videocassette pirates a free rein.

"Regrettably, we have not yet been able to reach an agreement with copyright holders regarding the domestic distribution of videocassettes, because this involves also problems of a different kind. When the question of video rights comes up in film-distribution negotiations, the foreign partner has in mind the right to rent videocassettes. In other words, the film may be distributed on videocassettes. The type of public showing of videocassettes that has spread in Hungary is virtually unknown abroad. Therefore the foreign partner looks at us with considerable incomprehension when we mention 'domestic peculiarities.' When he hears of public showing, he immediately quotes an astronomical figure that we truly cannot afford. Here is an example of how serious foreigners are about public showing."

3. The VCR projects a 1942 American film onto the screen. The tape begins with a lengthy text warning the viewer that the film is intended solely for home viewing, that the copying or public showing of the film is prohibited, and what are the penalties violators may face.

Karoly Kozma continues: "These days the international video market is dominated by the same American corporations that are the leaders of the world

film industry. Were we able to reach an agreement with one of the big three --Metro-Goldwyn-Mayer, Universal or Warner Brothers--several thousand films would immediately become available to the domestic videocassette lending libraries. We have been negotiating for two years, with some results, but there is still no comprehensive agreement for the time being. Yet it is obvious to everyone that we ought to establish a domestic network of videocassette lending libraries as soon as possible, because only such libraries can serve as an alternative to video piracy."

4. Well, nobody is disputing the need for videocassette lending libraries. There is general agreement on this in principle, but things are somewhat different in practice. But before we visit the MOKEP videocassette lending library, let us examine what the situation is in Vienna.

The Elite Videocassette Lending Library is located in a side street off the Ring, as an affiliate of a motion-picture center. It is practically the rule in the Austrian capital that motion-picture enterprises own the better lending libraries offering a wide variety of videocassettes for rent. It is likewise typical that these stores have banned pornographic films. You can get sex films only in the mushrooming small lending libraries; the smaller the store and the more hidden its location, the smuttier its wares. Elite has about 1000 different cassettes in its racks, available for a rental of 50 to 60 schillings, about the price of a movie ticket. A year after its premiere, practically every hit is available. The procedure for renting a videocassette is quite simple: the first time a customer drops in, his personal data are entered on a card and filed, and there is no such paperwork thereafter. This trust is understandable because even a new videocassette does not cost more than 80 or 90 schillings; a blank, of course. Detailed information is available on each film, and you know more or less what you are renting. It is likewise typical that Elite rents only feature films. It is being said hereabouts that film distributors have learned very well in recent years to live with videocassettes: after the initial fright, it soon became evident that home viewing of videocassettes was not cutting into box-office receipts, as had been feared. Of course, this requires motion picture theaters equipped with stereophonic or quadrophonic sound, panoramic screens, comfortable seats and air conditioning. Incidentally, the film distributors did not have much of a choice, because videocassette recording is spreading with amazing speed, in Austria and the other countries of Europe as well. It is not very wise to stand in front of a speeding train; much better to hop on board and attempt to influence things from within.

However, my Austrian friends told me that the possibility of renting videocassettes legally in their country has not ruled out their pirating, on an industrial scale. Not a week goes by without news of another pirate being caught. Several thousand cassettes were found on a truck the other day. The situation is similar in the Federal Republic of Germany where, on the basis of recently enacted legislation, videocassette piracy is punishable with up to 5 years in prison.

Thus conditions are not ideal even west of Hegyeshalom. And quite a few people are asking themselves: Is this not a typical case of attempting to regulate something that does not lend itself to regulation? Has not technology already outpaced in this case everything we want to fit it into?

CZYREK SPEAKS AT CPV CONGRESS

AU181631 Warsaw TRYBUNA LUDU in Polish 16 Dec 86 p 4

[Report on speech by Jozef Czyrek, PZPR Politburo member and Central Committee secretary, at the Sixth Congress of the Communist Party of Vietnam in Hanoi on 15 December]

[Text] PAP---Jozef Czyrek conveyed to all the delegates warm, fraternal greetings and wishes for fruitful debate from the PZPR Central Committee, its first secretary Wojciech Jaruzelski, and all Polish Communists. He expressed the conviction that the congress would adopt resolutions that would be of far-reaching significance for the successful implementation of tasks at the present stage in the construction of socialism in the Socialist Republic of Vietnam.

J. Czyrek said that Polish communists are convinced that, under the leadership of its communist party, the brave Vietnamese people, who have always displayed great courage, selflessness, and ardent patriotism, will surmount a growing number of difficulties, will realize ambitious tasks in the development of the socialist fatherland, and will fulfill the last wishes of the great son of this land, Ho Chi Minh.

The head of the PZPR delegation stressed that our parties and peoples are linked by close internationalist ties of friendship and fraternity and by similarities of history and experience. For both peoples paid the very highest price for freedom and independence.

Our economic relations are developing successfully, and so is scientific exchange and cultural cooperation. Cooperation between our Marxist-Leninist parties is being deepened.

The speaker stressed that the main theme of the Sixth Congress of the Communist Party of Vietnam [CPV] is the same innovation, Leninist thought that is currently inspiring the communist parties of socialist countries to search for ways and means to release socialism's creative capacities more fully, to satisfy the needs of working people better, and to ensure that they have conditions for comprehensive development. The PZPR fully concurs with the Vietnamese comrades' assessment that the historic resolutions adopted at the 27th CPSU Congress are of great significance in this respect.

Referring to international issues, J. Czyrek noted that the PRPR attached great significance to Mikhail Gorbachev's initiative aimed at enhancing peace, security, and cooperation in the Asian and Pacific region, a region that is inhabited by most of the planet's population. The PZPR also fully supports the proposals advanced by the three fraternal parties of Indochina concerning a political solution to the problems of Southeast Asia. Polish communists view with respect and recognition the contribution made by the Socialist Republic of Vietnam to strengthening the world socialist system and its internationalist unity.

J. Czyrek ended his speech by saying, on behalf of the PZPR, that it is the party's conviction that Sixth CPV Congress will open a new and higher stage in the construction of socialism and that it will be a source of inventiveness and innovative activities for the Vietnamese people.

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CSO: 2600/285

PZPR OFFICIALS VISIT WORK FORCES

LD3022118 Warsaw Television Service in Polish 1830 GMT 30 Dec 86

[No video available]

[Excerpts] Today Kazimierz Barcikowski visited the employees of a cooperative dairy in Skierniewice Voivodship.

Jozef Baryla was among the miners of the Julian coal mine in Piekary Slaskie.

Jozef Czyrek visited the 22-Lipca sweet factory in Warsaw.

Jan Glowczyk was the newspaper printing works in Ciechanow.

Wlodzimierz Mokrzyzszak was at the Warsaw meat plant in Zeran District.

Zugmunt Muranski was at the mining plant in Trzebien.

Marian Orzechowski talked with employees of the Polsport ski factory in Szaflary near Nowy Targ.

Tadeusz Porebski was at the Rail Technology Research and Development Center in Warsaw.

General Florian Siwicki was at the Pronit plastics factory in Pionki.

Zofia Stepien talked with the politicoeconomic collective at the Polmo car accessories plant in Praszka in Czestochwa Voivodship.

Marian Wozniak was with the work force of the (Miflex) radio subcomponents plant in Lutno.

Stanislaw Bejger visited the work force of the Gdansk repair shipyard and the Komuna Paryska shipyard in Gdynia.

Bogumil Ferensztajn was at the Silesian fats industry plant in Katowice.

Zbigniew Michalek was at the (Glinojack) sugar refinery in Ciechanow Voivodship.

Gabriela Rebisz visited Wrzesnia and talked with employees of the Tonsil loud-speaker plant.

Henryk Bednarski was the Rudno copper mine in Legnica Voivodship.

Andrzej Wasilewski paid a visit to the Dom Słowa Polskiego printing works in Warsaw.

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CSO: 2600/285

GEREMEK VIEWS MARTIAL LAW ANNIVERSARY

PM051216 Paris L'EXPRESS in Frency 19 Dec 86 p 23

[Article by former Solidarity adviser Bronislaw Geremek: "Europe Needs Poland"]

[Text] The results of normalization in Poland are not very good 5 years after 13 December: Society is resisting, Solidarity still exists, and the economy continues to deteriorate.

The Polish problem--the government's arrogant attitude toward a society which refuses to submit--seems to be insoluble for the time being. However, time is not necessarily on the authorities' side: The social situation is tense and is likely to become explosive. The only solution--and one which should be implemented immediately--is a reasonable contract between the government and society. This contract would set aside the rhetoric of "national accord" and would aim to fix the objectives, define the means, and estimate the social cost of a truly open policy toward initiatives and abilities. I know that this is necessary and I know that it is possible but, unfortunately, I see no sign of a move in this direction.

However, the political deadlock and the economic decline are emphasizing Poland's political and economic dependence and are helping to separate it from Europe to which it is attached by ancient historical ties, thereby confirming Yalta's rationale: The political divisions of Europe will become cultural borders. Polish public opinion, which is obviously aware of this development, rejects it.

In the 19th century the Poles believed that Europe needed Poland. Was that an illusion? The bitterness of more recent historical experiences has altered Polish thinking on this point. The warm and spontaneous aid which so many Polish families have been given in recent years has shown that Solidarity with Poland is to be found at a different level than the level of European policy. And yet, as the 20th century draws to a close, I still believe that Europe--both as a civilization and a political community--needs Poland, perhaps more than ever:

First, because this whole part of the Old Continent has a strong feeling of belonging to Europe and this is needed to consolidate a community of nations.

Second. because it is difficult to imagine stability in Europe while a people like ours is in a state of ferment, rejecting oppression and underdevelopment.

Finally, last but not least, because in a future Europe based on peace and international stability free from hegemony, Poland would have a role to play.

This is ultimately why the West ought to support the establishment in Poland of a political and economic model based on pluralism and respect for human rights which is the only way of halting the collapse of this country of 37 million Europeans.

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CSO: 3619/23

Z. BUJAK CITED ON SOLIDARITY'S STRATEGY

PM191218 Paris LE MATIN in French 13-14 Dec 86 p 11

[Interview with Polish opposition leader Zbigniew Bujak by Krzysztof Wolicki in Warsaw; date not given]

[Text] LE MATIN: There is a joke doing the rounds of foreign correspondents in Warsaw that Solidarity no longer exists but that journalists must keep it a secret. What do you think?

Zbigniew Bujak: A while ago journalists and diplomats were saying that Poland had ceased to exist. They are doing well to keep it a secret! They are thus preventing everyone from telling them some day: "You may have looked, but you saw nothing...."

But I do understand what lies behind that joke. Solidarity no longer appears in a spectacular fashion and most of our activities do not take place in the open.

LE MATIN: In Warsaw the party complains that it can no longer reach young people. Only 6 percent of party members are under 30 in the capital. What is the new generations' attitude toward the opposition?

Zbigniew Bujak: We are witnessing an exciting phenomenon at the moment: There are a multitude of groups organizing themselves, clearly distinguishing themselves from both Solidarity and the Church. They criticize us and try to resolve their own problems. But very often after a while they come looking for us and eventually tell us: "We will work with you (Solidarity) because our interests and adversaries are the same." These groups are composed primarily of the young intelligentsia. In the work place and in the enterprises, on the other hand, Solidarity is not so strongly represented. Our weakness stems from the fact that we proposed to the people a struggle via the official "self-management" structures. Solidarity's external and clandestine structures have failed adequately to help those fighting within the enterprises. We have shown a sad lack of initiative in this field.

LE MATIN: What is the opposition's present capacity for mobilization?

Zbigniew Bujak: True, the situation is not the same as in 1980-81, when people acted on their own initiative without awaiting instructions. Now they wait for us to speak, to make proposals. But they do heed us very closely.

To make people act we must offer political prospects and find credible watchwords. They must realize that change is possible. It seems to me that people are now regaining their hope or, rather, to be more realistic, the hope to hope. Poles are asking themselves: What is happening in the Soviet Union? What are we to expect of Mikhail Gorbachev? What policy line does General Jaruzelski intend to pursue following the amnesty granted to political prisoners and the creation of a consultative council?

Throughout this debate the intellectuals' attitude is very important. People think: "If they do not give way, yield to the government's pressure, then it means that our cause is not doing so badly...." It is very important for people to feel a unity, a common front against their adversary.

LE MATIN: Do you not believe that time is working against the opposition and that the government could rely on time to erode your positions?

Zbigniew Bujak. Not at all. Consider what happened in 1956 or 1970: Where was the movement a year after the events? It no longer existed! Now 5 years have passed since the introduction of martial law and we are nearly all still here. I am comparing situations and counting the years. Those who resisted in 1982 are still here and continuing the struggle. Of course I am talking about the tough kernel of Solidarity. In order really to endure that is what counts.

LE MATIN: Do you believe that another understanding with the government is still possible?

Zbigniew Bujak: The team that introduced martial law will never accept Solidarity, irrespective of our proposals for an agreement. The government rejects everything that comes from Solidarity. We are therefore left with only one solution--to continue! Solidarity's creation, the right to trade union pluralism and to a free and independent trade union constitutes the workers' greatest gain in a socialist country. We will never relinquish that.

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CSO: 3619/23

ENVOY SUMS UP VIENNA CSCE MEETING

LD212206 Warsaw PAP in English 1857 GMT 21 Dec 86

[By PAP correspondent Franciszek Malinowski]

[Text] Vienna, 21 December--After the conclusion of the first round of the Vienna CSCE meeting of 35 states here last Friday, head of the Polish delegation Ambassador Eugeniusz Kulaga spoke to PAP about its course and results. Excerpts:

"The Vienna meeting started in the atmosphere of seriousness and responsibility. The debate also showed that the Final Act has become a part of Europe's political life and European political tissue. It also showed the potential included in the Final Act. The potential of dialogue, common deliberations on the solving of common problems we are facing.

"At the same time, and especially in the later period, two lines emerged, two concepts of the development of European cooperation. The first one, ours, presented by Poland and other socialist states, is a concept of comprehensive and complex implementation of the Final Act at all sections. The concept is constructive and based on the assumption that progress in one section should help progress in other sections. Of course, in this concept we paid particular attention to the significance of military aspects of security in Europe, but we have not omitted others.

"The second concept represented by a number of Western NATO countries consisted in a selective approach towards the Final Act, mainly focused on human rights issues and other so-called humanitarian issues--at the cost and, in fact, while totally passing in silence over all the other aspects of European cooperation."

"Our concept was reflected at the very beginning in the speech by Polish Foreign Minister Marian Orzechowski. We were materializing it during this round through our proposals," Kulaga said.

Recalling many proposals put forward at the meeting by Poland, Kulaga said: "I think that as for the first 7 weeks of the debates, the contribution made by Poland is both significant and constructive," and went on:

"One must not forget about another tendency, its one-sidedness and its effects which manifested themselves in tensions, arguments, sometimes even in

confrontation. It is important that this tendency in fact was represented by a few NATO states only, while the majority, including neutral and non-aligned ones, showed great restraint in these matters. At the same time they displayed their interest in political, military, economic, and ecological issues and in protection of human rights.

"Summing up, we have a picture of 7 strenuous weeks during which, however, first steps were made and premises created for a constructive approach, constructive resumption of negotiations next January and starting difficult and responsible activity designed to work out a common denominator of interests of all the European states. A common denominator which must take into account military aspects of European security, development of economic cooperation, ecological and environmental issues, as well as humanitarian and cultural ones.

"Poland is present in each of these sections and will do her best to make her constructive contribution," said Kulaga.

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CSO: 2020/46

ORZECZOWSKI'S BELGIUM VISIT DETAILED

LD192124 Warsaw PAP in English 0720 GMT 18 Dec 86

[Text] Brussels, 18 December: On Thursday, the second and the last day of his official visit to Belgium, Minister Mariam Orzechowski left for Ghent, the town liberated from the Nazi occupation by Polish soldiers from the General Maczek Armoured Division.

Particular bonds of friendship were manifested by the cordiality of meetings held by Minister Orzechowski and members of his delegation with town authorities. In the speech of welcome, Mayor Jacques Monsaert expressed great joy over the possibility of playing host to the foreign minister of the country to which Ghent residents feel deep sympathy. He mentioned examples of cooperation of his own with Poland and stressed Poland's contribution to cultural development of her partners.

In reply, Minister Orzechowski recalled many-century development of economic relations between Poland and Flanders and expressed admiration for Poland's cultivating links with contemporary Ghent. On the basis of the old and more recent tradition, we can develop our cooperation and friendship, contributing also to concordant coexistence between nations of Europe and to spreading the idea of peace.

After laying a bunch of flowers at the foot of the plaque commemorating the share of Polish soldiers in the struggle for Ghent, Minister Orzechowski saw a historical room in the city hall.

After returning to Brussels, the foreign ministers of both countries continued the talks they had started yesterday.

They came out for developing political dialogue and all-round cooperation between Poland and Belgium. In this connection, Minister Orzechowski stressed the necessity to normalize credit-financial relations. Discussed were the most important aspects of the international situation and the EEC-CMEA contacts. Minister Tindemans accepted with satisfaction an invitation to pay a visit to Poland. It was decided that it would be paid next year.

At a press conference at the Polish embassy, with the participation of several tens of journalists, both Belgian and foreign correspondents here, Minister

Orzechowski positively assessed the course and results of the visit. It brought contribution not only to the development of our relations with Belgium, but also with the West in general. Political philosophy of both countries is convergent on many points. They have a conviction that peace and cooperation depend not only on great powers but also on small and medium sized states. As regards bilateral relations, the visit opened up a new stage. Traditional political dialogue was restored and it paves the way to contacts in other areas. We stated together with Minister Tindemans that there were still many untapped possibilities in economic cooperation. The visit was paid in an important period in the development of the European and world situation. We exchanged views on its character after Reykjavik and NATO response to the Budapest initiative forwarded by Warsaw Treaty states to reduce conventional force all over Europe, Minister Orzechowski said.

Poland's Foreign Minister Marian Orzechowski answered numerous questions concerning mostly Poland's foreign relations, including visits paid by General Jaruzelski. Referring to another question, Orzechowski dwelt more extensively on the role of the subject of the EEC-CMEA contacts in the talks with Belgian Premier Martens and Belgian Foreign Minister Tindemans. Normalization of relations between these organizations would be one of the conditions for overcoming the division of Europe. Polish diplomacy sets great hopes on the Belgian chairmanship of the EEC in the first half of 1987. In this connection, we take interest of course also in the development of contacts between the EEC and Poland in the coming months, Orzechowski said.

He took part in a reception given by Polish ambassador here Stanislaw Matosek at which Minister Tindemans and other personalities arrived.

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CSO: 2020/46

ORZECZOWSKI SPEECH AT BRUSSELS UNIVERSITY

LD181919 Warsaw PAP in English 2237 GMT 17 Dec 86

["Orzechowski's Speech at Louvain-La-Neuve University--abridged"--PAP headline; all quotation marks as received]

[Text] Brussels, 17 December--After presenting a short outline of secular development of moral and legal anti-war doctrine in Poland, Minister Marian Orzechowski said in part:

"During the period between the wars, after regaining independence, Poland's diplomacy and the Polish science of international law significantly contributed to the work of the League of Nations, forwarding a proposal of ban on war propaganda and instigation, known as a 'moral disarmament.' The continuation of this tradition was the Polish idea of education of societies in the spirit of peace, which received the form of the 1978 UN [word indistinct].

"In the period following the Second World War, European security was correlated in Poland to a great extent with the so-called German issue and the final recognition of the Western border on the Odra and Lusatian Nysa. We saw the essential conditions for peaceful order in Europe in the recognition of the irreversible character of the Polish-German border and the existence of the two German states.

"We see the final CSCE Act from Helsinki as an ultimate, multi-lateral confirmation of borders which were shaped as a result of the Second World War, democratization of European relations, the increase of the role of medium and small states.

We are aware of the significance of this visit which restores regular political dialogue between our countries at a government level and is a practical expression of the search for possibilities to further develop bilateral relations in all fields.

We also expect this visit to contribute to the improvement of international climate, to the deepening of mutual trust and to the development of cooperation in Europe.

The primary goal of Poland's foreign policy was and is to act in favour of removing the threat of nuclear war, of lowering the level of military confrontation, and of peaceful and friendly coexistence of all nations.

The evolution of the international situation since the beginning of the 1980s was not conducive to this and aroused concern. The course towards escalation of armaments in space and on the earth became the source of dangerous tensions and complicated the relations between the East and West to an even greater extent.

At the same time, we cannot fail to see the threats to security and cooperation on our continent. Next to a heavy concentration of arms they also include permanently reiterated attempts to undermine the peaceful order based on the provisions of the Yalta and Potsdam Conferences and postwar developments.

The only alternative to threats is a return to detente and constructive cooperation. We are of the opinion that this objective should be favoured by efforts made by all states, including medium-size and small ones, beside special responsibility resting with superpowers, which is evidenced by the wasted, so far, chance of the meeting in Reykjavik.

We attach great significance to the proposals of nuclear-free zones, which we pioneered, and to chemical weapon-free zones in Europe, to elimination of missiles and reduction of conventional forces accompanied by the simultaneous securing of effective international control. Constructive proposals put forward by socialist community states are still waiting for [a] reply.

We also pin big hopes on the current meeting in Vienna. We expect it to strengthen and dynamize the CZCE process and to add to the improvement of the East-West relations. Poland tries to play its traditionally active role on the CSCE forum.

The Polish-Belgian relations are marked by centuries-long, rich and glorious tradition. We note with satisfaction progress made in economic cooperation. A session of the mixed commission, schedules for the next month, and next year's meeting of foreign trade ministers will map out prospects for the further development of trade.

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CSO: 2020/46

SEJM DELIBERATES LAW, EDUCATION MEASURES

LD191819 Warsaw PAP in English 19 Dec 86

[Text] Warsaw, 19 December: Vice-speaker of the Sejm Jadwiga Biedrzycka presided over today's debate.

Speaking on behalf of the Council of State, Deputy Kazimierz Barcikowski presented a report on the implementation of the law on the system of people's councils and local self-government. He stressed that the law passed the test of practice as it properly determined the position of the councils and self-governments and vested them with legal powers. Even so, there are some discrepancies in the law-prescribed solutions, which have to be eliminated, he said.

A team of prominent lawyers is expected to be appointed within the Council of State to analyze the submitted proposals and study the question of legal contradictions in the respective laws.

The law on the system of councils and other legal acts relating to self-government resulted in several thousand citizens getting involved in decisionmaking with regard to their most vital problems. No one has so far invented a better form of citizens' education than participation in deciding on their common problems and in implementing their own decisions, Barcikowski said.

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CSO: 2020/46

GOVERNMENT BODIES DISCUSS ANTIDRUG BUDGET

LD152305 Warsaw PAP in English 1802 GMT 15 Dec 86

[Text] Warsaw, 15 December: The Presidia of Government Commissions for Prevention of Drug Abuse and Fighting Alcoholism considered the draft budget for 1987 fight against these social ills, before the nearest plenary meetings of both bodies discuss next year's programmes of that struggle.

More than 13.2 billion zloties are going to be spent next year on efforts aimed at countering alcoholism and drug abuse, more than 50 percent above this year's figure.

Most of the money (.2 billion) will go to investment projects such as buildup and modernization of anti-addiction clinics, social welfare homes, or care-and-upbringing centres.

More than 3.3 billion zloties will aid the culture development and physical culture development funds, while more than 1 billion will cover aid to alcoholics and their families.

Money spent on fighting drug abuse will nearly double to reach 4.1 billion zloties, with almost half of its going to investment or modernization projects as well as outfit for prevention, treatment and rehabilitation centres for drug addicts.

Today's meeting was chaired by Vice-Premier Zbigniew Gertych.

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CSO: 2020/46

BRIEFS

JARUZELSKI RECEIVES CSSR MINISTER--Warsaw, 10 December--First Secretary of the PUWP CC Wojciech Jaruzelski today received Czechoslovakia's Internal Affairs Minister Vratislav Vajnar. Minister Vajnar headed a delegation of the Federal Ministry of Internal Affairs of Czechoslovakia which visited Poland 8-10 December at the invitation of Political Bureau Member, Minister of Internal Affairs General Czeslaw Kiszczak. The meeting was attended by Czeslaw Kiszczak and Czechoslovak Ambassador to Poland Jiri Divis. [Text] [Warsaw PAP in English 1619 GMT 10 Dec 86 LD] /12232

WOZNIAK LEADS REVIEW TEAM--Warsaw, 11 December: A team for reviewing the bodies of central administration and economy started to operate today under the leadership of Political Bureau member, CC Secretary Marian Wozniak. The team operates as part of the party-state commission, appointed by the 10th PUWP Congress. Its goal is to elaborate a draft of a final adjustment of the functions of the center of state management to the modified system of management. During the discussion presented were numerous innovative views on reinforcing strategic functions of the center and its responsibility for the functioning of the economy and state. Also, appointed were two working groups for conducting a review of the functions and organizational structures of two ministries, namely, the Ministry of Finance and the Ministry for Construction, Municipal Economy, and Spatial Planning. [Text] [Warsaw PAP in English 2230 GMT 11 Dec 86 LD] /12232

MESSNER RECEIVED LIBYA'S AL-MANSUR--Warsaw, 11 December--Chairman of the Council of Ministers Zbigniew Messner received here today Kamil Hasan al-Mansur, head of the Libyan side taking part in the seventh session of the Polish-Libyan mixed commission for economic and scientific-technological cooperation, and secretary of the People's Committee for Foreign Liaison of the Libyan Jamahiriya. Messner and Al-Mansur discussed the state of bilateral relations and their prospects in the light of works of the commission's seventh session. Chairman of the Polish side, Minister-Head of the Office of the Council of Ministers Michal Janiszewski took part in the talk. Present were also Poland's ambassador to Libya Stanislaw Kukuryka and secretary of the Libyan People's Bureau in Poland Sulayman A. Al-'Uraybi. [Text] [Warsaw PAP in English 1913 GMT 11 Dec 86 LD] /12232

DPRK COOPERATION PROTOCOL SIGNED--Warsaw, 18 December--The sub-commission for scientific and technological cooperation at the Consultative Commission for Economy, Science and Technology of the Governments of Poland and the Democratic

People's Republic of Korea signed at its 10th session here today a protocol regulating conditions and legal, organizational and financial rules and norms of cooperation in science and technology till 1990. The detailed directions of the cooperation will be specified after the Korean specialists' visit to Poland in the first quarter of 1987. The two countries are interested in developing the studies and applications in such fields as extraction and processing of mineral raw materials, electro-engineering, agriculture and medical sciences. [Text] [Warsaw PAP in English 0645 GMT 19 Dec 86 LD] /12232

ORZECZOWSKI RECEIVES FAO DIRECTOR GENERAL--Warsaw, 22 December--Minister of Foreign Affairs Marian Orzechowski today received director-general of FAO (UN Food and Agriculture Organization) Edouard Saouma who is now on an official visit to Poland. Saouma was accompanied by FAO European Office Director Alessandro Bozzini. The sides discussed FAO's overall activities and its role in the world, including the European region. They also dealt with questions pertaining to the relations between Poland and FAO, particularly in scientific and technological cooperation, and possibilities to expand the participation of Polish institutions and experts in FAO projects. They also raised certain questions of organization of a European FAO conference in Poland, 1988, to discuss regional cooperation in agriculture and food industry. [Text] [Warsaw PAP in English 2017 GMT 22 Dec 86 LD] /12232

JARUZELSKI RECEIVED FAO DIRECTOR--Warsaw, 22 December--President of the Council of State Wojciech Jaruzelski today received visiting Director-General of the UN Food and Agricultural Organization (FAO) Edouard Saouma. He briefed the Polish leader on the main directions of work of the organization in speeding up world food production. Poland's contribution into FAO food initiatives was also discussed. The meeting was attended by head of the Polish Committee for FAO Stanislaw Zieba, who is also Poland's agriculture and food industry minister. Poland's permanent representative at FAO Jozef Wiejacz was also present. [Text] [Warsaw PAP in English 1335 GMT 22 Dec 86 LD] /12232

CSO: 2020/46

YUGOSLAV WORK ON ALBANIAN MIGRATION REVIEWED

Bucharest REVISTA DE ISTORIE in Romanian Oct 86 pp 1042-1043

[Article by Gelcu Maksutovici]

[Text] Many surveys and monographs have been published on the Albanian National Renaissance Movement, especially during the last four decades, in both the Albanian modern historiography and abroad. As part of research on the history of south-eastern European peoples, this interesting period in the history of Albania has also attracted much attention from Romanian research workers. Most of the studies published in this country spotlighted various aspects of Albanian renaissance tied to the support rendered by the Romanian people to the Albanian cultural societies that operated on the territory of our hospitable country in the second half of the 19th century and early 20th century, to the solidarity of Romanians with the cause of Albania's national independence, but so far no monograph on Albanian migration was published in Romania. A few decades ago there were several attempts, limited to small periods. Great credit goes to the Yugoslav research worker Ismet Dermaku for having gathered during the course of several years of archival research ample sources of information that enabled him to produce an interesting book in which, scrutinizing the development of Albanian national renaissance he points at length to the input of Albanian emigrants in Romania and Bulgaria, ultimately achieving genuine monographs on the Albanian colonies in these countries. Regarding the colony in Romania he accomplishes an excellent synthesis of information acquired from the oldest times up to now. From the foreword to the book the author advises us of the sources of documentation, primarily quoting various archives in this country, to which he adds the most representative writings of Romanian historians. He states that "Albanian-Romanian friendship is based on the symbiosis of the Illyrian-Tracian-Dacian ancestors," that it has constantly developed because of the similarity of the way of life and customs and of the warm hospitality of the Romanian people. The Albanians came to the Romanian principalities especially in the 17th century; the author quotes a document of Simion Movila, dated 1 May 1602 (7110) issued in Tirgoviste, whereby the Albanians settled in Calinesti Village, Prahova County, were exempt from taxes (in the

caption to the photostat of the text of the document the author erroneously gives the year 1610). In the same context we point out that the Albanians who came from the south of the Danube, from Cervenî Voda Village, to which the Simion Movila document also refers, received the permission to settle there as early as 1595, when about 15,000 people crossed the Danube ".... with women and children, with all their possessions and with the cattle, to live in that Romanian principality" (Eudoxiu Hurmuzaki, DOCUMENTE PRIVITOARE LA ISTORIA ROMANILOR, Vol. XII, 37, No 85).

In continuation, the author discusses and interprets with acumen documents of the 19th century, specifically from the second half, underlining the amplitude of the cultural movement of the Albanians who had settled on the territories of Romania and Bulgaria after 1878, to campaign and to acquire state independence, and, of course, the substantial assistance received from the Romanians. It is interesting that, as the research evolves on the historical past of the Albanian people, and I have in mind primarily the significant results of modern Albanian historiography, the idea is highlighted that the national renaissance movements appeared at about the same time for all the peoples in the geographical area of the Balkans, with many common traits, and only in their evolution a number of factors emerged which hastened or slowed down the course and especially their finality. In this regard, the work of researcher Ismet Dermaku provides many interesting data pointing to the fact that also the Albanian national renaissance movement has antecedents which are older than the years 1821 or 1844 (the issue of a primer in the Albanian language, published in this country by Naum Panaiot Vechilharxi); that it has been powerfully influenced by the Romanian revolutionary ambience largely throughout the 19th century. Regrettable is only the fact that for the characterization of some Romanian political events of that period the author utilizes older writings, and in providing the Romanian names the phonetical transcription in the Albanian language involves many errors, sometimes even causing reading distortions. The conclusions of the work are pertinent, relevant, with the author thanking for the assistance received in studying the documents in the Romanian archives, with special appreciations for the surveys of the Romanian historians on this matter, with ample quotations from the surveys. In the final section he emphasizes not only the input of the Albanian national renaissance movement in Romania to the gaining of Albania's state independence on 28 November 1912 but also the support of the Romanian authorities in backing and recognizing the achievement of this major political action that laid the foundation for a new independent state in the Balkans. In light of the works published in Albania, in this country and in other countries, on the Albanian national renaissance movement, this work is the first one to almost exhaustively present the documents on the activity of Albanian emigrants in Romania and Bulgaria, of the cultural societies that operated on the territories of these countries and their role in the achievement of Albania's state independence. Regarding the provision of documents it would be hard to add new elements, but in terms of interpretation and the manner of utilization certainly there still are many problems to be clarified, especially

if we consider the juncture in which they were evolved. The many illustrations, the ample bibliography provided, the name indexes, the summaries in Albanian, Serbian and English, significantly facilitate the reading and understanding of the material in this exceptional book which plays a major role in studying a glorious period in the history of the Albanian people, a period with major ties in the entire south-east European area.

11710

CSO: 2700/44

NATIONHOOD-CULTURE RELATIONSHIP DISCUSSED IN REVIEW

Bucharest ROMANIA LITERARA in Romanian No 44, 30 Oct 86 p 11

[Article by Teodor Vargolici: "Romanian Culture and National Unity"]

[Text] As he states in the introduction to his book, The Modern Romanian National Culture, brought out by the Eminescu Publishing House, Dan Berindei has collected a number of studies, articles, and scientific papers spanning a period of four decades, many of which have previously appeared in various periodicals and some of which are new. However, in the book they do not appear in any chronological order and do not attempt to illustrate precisely delimited stages in the national cultural life and creativity, or the vast and complex process of genesis of the modern Romanian literature and culture. Thus, due to their great variety of themes, the studies, articles, and papers featured in the book give the appearance of fortuitous selection, without manifest cohesion. We said that they give the appearance, because this impression is soon dispelled upon careful reading, when it becomes clear that the author has succeeded in imparting them, as the saying goes, unity in diversity, anchoring them in several centralizing, essential ideas which are examined and argued through a prismatic view and from a richly and variedly accentuated perspective. The studies, articles, and papers of Dan Berindei, although dealing with a vast range of themes, are designed to and fully succeed in demonstrating the important role of the Romanian culture as a dynamizing factor of national unity and as one of the main components of the historical process of building modern Romania.

The studies undertaken by Dan Berindei cover a period of 150 years, since the last decades of the 18th century and up to 1918, when the Romanian national united state was established. The major events that marked this period and that constitute the preceding stages of a decisive historical importance of the achievement of national unity and of the birth of modern Romania, are the great rebellion of the Transylvanian peasants of 1784 led by Horia, Tudor Vladimirescu's revolution of 1821, the 1848 revolution, the Unification of the Romanian Principalities in 1859, the achievement of national independence in 1877, and the war of national restoration of 1916-18. The author proceeds from the correct premise--which he expands and convincingly demonstrates in the course of the book--that, in connection with those crucial events in the history of the Romanian people, "the national culture developed, and its growth was linked to both the process of maturing of the nation and to its

program. It was never a culture for the sake of culture, divorced from the national realities of the Romanians, but a militant culture that served the cause of the nation and actively contributed to the fulfillment of its objectives. It is not a coincidence that the most outstanding cultural figures of the time were at the same time political figures who played an effective role in the complex process of social and national liberation of their people."

Dan Berindei's contribution highlights the fact that throughout their evolution, the Romanian culture, and primarily the Romanian literature, have been not just the recorders of patriotic, social, and national ideals, but also the activating agents of these ideals, whereby a continuous interaction and a mutual conditioning and inspiration existed between the forms of manifestation of the national creativity and culture and the practical means of fulfilling the specific ideals of the respective periods. Through compendious studies of the many and varied aspects specific of the Romanian culture and literature of the period, portraits of representative scholars and writers, and detailed reconstructions of the programs and activities of prestigious cultural and scientific associations, literary societies, and academic institutions the author consistently brings to light the contribution of all these factors to asserting, assisting, and achieving the sublime ideal of national unity and independence and building the modern Romania. The author very correctly points out that, beginning with Ienachita Vacarescu, who in 1795 pledged his support for the planned Philosophical Society of the Romanian Nation in the Great Principality of Transylvania, and Gheorghe Lazar, the great Transylvanian who laid the foundations of the national school in Wallachia, and through the 1948 scholars and writers and those of the Unification period, "a process of healthy osmosis took place, and of a fruitful cooperation among the Romanian scholars, which developed and foreshadowed the political and state unity of the nation."

Just like Gheorghe Lazar, whom N. Iorga viewed as "the first teacher of national ideals," the Wallachian Ion Ghica also became a professor at the Academia Mihaileana of Iasi. Writers from all the Romanian provinces contributed to the major periodicals of the time: DACIA LITERARA (1840), PROPASIREA (1844), ROMANIA LITERARA (1855), and REVISTA ROMANA (1861), thus laying the foundation for a cohesive national literature. Through their direct actions, the scholars and writers of the 1848 revolution militated in the spirit of national unity. For example, Vasile Alecsandri compiled "the most progressive program of the Romanian revolution," as Dan Berindei states, "Our Principles For Reforming the Homeland," which requested, among other things, the unification of Moldavia and Wallachia "in an independent state." The Moldavians Alecu Russo and George Sion attended the great assembly of Romanian revolutionaries in Transylvania, at Blaj, on 3-15 May 1848. It was in Transylvania that Nicolae Balcescu struggled for national unity under the banners of the revolution.

In two extensive and well documented studies Dan Berindei examines in detail the cultural ties between Transylvania and the other Romanian provinces, citing many and clear proofs of the fact that as of 1859, when the first stage of national unity was accomplished through the unification of Moldavia and Wallachia, and until 1918, when the national unity was completed and the

national united Romanian state was created, the idea of Transylvania's return to the mother land gathered momentum and rallied around it all the enlightened minds, inspired by an ardent patriotism. Along this line, the author stresses: "While political ties between the Romanians in the Principalities and those living beyond the borders of the national state could not be overt, cultural relations developed even at the time when the Hapsburg authorities sought to prevent free contacts. Uninterrupted ties continued to be maintained through periodicals circulated on both sides of the mountains, correspondence from the Principalities published in the Romanian press of the Hapsburg Monarchy and Transylvanian ones appearing in the periodicals of Bucharest and Iasi, and through exchanges of letters and visits. Mutual press contributions, book circulation, and the activities of cultural-scientific associations and societies contributed to preserving and developing the cultural ties among the Romanians living under different foreign rulers."

Between Transylvania and the other Romanian provinces, Dan Berindei emphasizes, there existed continuous, active, and efficient cultural exchanges that converged toward the achievement of a cohesive national culture and literature as an important lever in the achievement of full national unity. This process intensified toward the end of the previous century and the beginning of the present century: "An analysis of the process of cultural development reveals permanent contacts between the Romanian territories still under foreign domination and the free Romania, and at the same time an evident flow of the cultural values of the entire nation toward the Romanian state that, at the time, could offer optimal conditions for their realization. Continuing the tradition of the pleiad of Transylvanian scholars who had come to the Principalities in the previous period, many men of culture crossed the Carpathian Mountains in the last decades of the 19th century and the first decades of the 20th century seeking in Romania conditions propitious to the national assertion of a free state. Received with open arms and free of any discrimination, these scholars made an important contribution to the cultural heritage of the country. In the period that preceded the achievement of state unity it had become natural that the prominent Romanian cultural institutions of the time should become the meeting grounds for Romanian scholars from everywhere, the soil in which progressive ideas could blossom and the struggle for the social and national liberation of the Romanian people could be carried on more easily." A particularly important role in developing the ties between Old Romania and the Romanian provinces under foreign domination was played by the writers, as Dan Berindei stresses: "Although separated by unnatural boundaries, the Romanian writers of the time in the half century preceding the lofty act of 1 December 1918 appealed to all the Romanian people, served the cause of Romanian national culture in its entirety, and effectively contributed to fulfilling the aspirations of the nation and to achieving its state unity. Writers from Old Romania were read and beloved to the north and west of the Carpathians, while Transylvanian writers always found refuge and appreciation in free Romania. Writers like Alecsandri, Caragiale, and Iorga enjoyed the profound esteem and attention of the Transylvanian Romanians, and Astra's "Popular Library" and "Youth Library" published the works of Alecsandri, Creanga, Ispirescu, Bratescu-Voinesti, Sadoveanu, and others; while Slavici, Cosbuc, Miron Pompiliu, St. O. Iosif, Chendi, Goga, and Rebreanu were received in Romania and given a generous haven while awaiting the reunification of the homeland." Equally significant is the fact that M.

Eminescu made his debut in Iosif Vulcan's *FAMILIA*, a magazine that hosted many Romanian writers from the other provinces, thus cementing the cultural and national unity. The same role was played by *TRIBUNA* and *LUCEAFARUL*, while in the rest of the country the ideal of national unity inspired the activities of publications such as *VATRA*, *SAMANATORUL*, *CUMPANA*, and particularly *VIATA ROMANEASCA*.

In short monographies of prestigious scholars, historians, and writers of the period under study, such as Gheorghe Sincai, Gheorghe Lazar, Nicolae Balcescu, Mihail Kogalniceanu, Vasile Alecsandri, Eudoxiu Hurmuzaki, A.D. Xenopol, and N. Iorga, the author pursues the same central idea, highlighting the manner in which these illustrious figures of our culture and literature served, through actions and writings, the ideal of national unity, thus making a valuable contribution to the creation of modern Romania.

In the fourth section of the book, entitled "The Highest Cultural Forum of the Modern Nation," Dan Berindei reconstructed the evolution and activities of the Romanian Academy since its establishment in 1867 under the name of Literary Society, after which it became the Romanian Academic Society, and to the time after 1879, when it received its commonly known name. The reconstruction is subordinated to the same central idea, emphasizing the fundamental role it played in promoting patriotic and national aspirations and achieving the national united Romanian state. Even the initial objective, which was to compile a dictionary of the Romanian language, was not limited to strictly linguistic matters, but was determined by the need to bolster the national unity through the language spoken by all the Romanian people. Its major purpose being "the cultural unity of all the Romanians," as I.G. Sbiera of Bukovina stated at the beginning of this century, the Romanian Academy rallied scholars, scientists, artists, and writers from all the Romanian countries, giving special attention to those who at the time lived under a foreign domination. It is worth noting that at the beginning of the war for the reunification of the nation the Romanian Academy clearly expressed its support for the great cause of national liberation and unity. In the speech "The War and Our Duty," delivered at the Romanian Academy on 2 September 1916, Delavrancea stated: "We did not enter the chaos of this slaughter to conquer, but to liberate. We do not want what does not belong to us, but we want to become united with our brothers in Transylvania, Banat, and Bukovina."

The studies, articles, and papers of Dan Berindei excel through detailed and rigorous documentation, clear exposition, and a genuine talent to compend and concentrate facts and dates around a central idea. In its entirety, the book constitutes a noteworthy contribution to the indepth understanding of the important role of the Romanian culture and literature in asserting and achieving the great ideal of national unity.

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CSO:2700/66

17TH CENTURY POLITICAL, CULTURAL FIGURE IN PERSPECTIVE

Bucharest CONTEMPORANUL in Romanian No 59, 5 Dec 86 pp 9-10

[Article by Dumitru Almas: "Miron Costin--Philosopher of History, Strategist, Founder of Literary Language"]

[Text] "Thought Triumphed..."

In our political and cultural, ideological and artistic history, Miron Costin is regarded as a great destiny, moving in truth and beauty, tragic in death, and symbolic in all respects. He is one of the pillars on which the Romanian people's history and culture, their science and consciousness and ethics are supported. His destiny also moves the generations because, unfortunately, it was repeated with amazing accuracy: High Steward Constantin Cantacuzino, Gh. Sincai, N. Balcescu, or N. Iorga--brothers in fate and life's end, killed before having finished the ardently desired work. Their unnatural, sudden, unjust, and absurd deaths snatched the pens from their hands and broke them with the ruthless claws of futility. Their lives were ended by those who hated the Romanian people, who sought to subjugate the country and to extinguish any spark of love for it. Their elan and abnegation were smashed by those who feared the triumph of thought, of the truth about our life and history, about the best thought and the truth of mankind.

Historians concern themselves with the political activity of Magistrate and Chancellor Miron Costin, with its shadows and lights. Perhaps not as much as would be fitting. In any case, they are impressed by the perseverance with which he tried to "argue" the country, the whole area inhabited by Romanians, out from under the sultan's power. And this was at a time of maximum Ottoman expansion: Mohammed IV or Kara Mustafa.

But here I would like to say a word about the literary art of chronicler Miron Costin, this outstanding figure of Romanian culture in the so tumultuous 17th century. In 1633, when he was born, the huge shout of Michael the Brave's deed--the union of all three Romanian countries--was heard, amplified, in the Carpathian air. Vasile Lupu and Matei Basarab and Gheorghe Rakoczy II, fascinated by the image of "Dacia Rediviva" and each eager to rule it in his own name, even tried to revive it. In "Letopisetul Tarii Moldovei" [The Chronicle of Moldavia], Miron Costin wrote "that there were once happy times in this part of the world, there were then." However, right around 1660, hard,

terribly hard, times came: Ottoman and Tatar predations, Polish raids, bad and greedy rulers--"the time of the Prince Duke," or "the Sign of the Crab," as Sadoveanu put it. Many boyars became "eaters of freeholders," grabbing the land of the free peasants and turning them into serfs. The noble scientific and literary plans of Miron Costin, a friend of scholars like Varlaam and Dosoftei, of Neculai Milescu and Chief Magistrate Stefan, were wasted, as he himself stated: "Because these terrible times nowadays came upon us, we occupy ourselves not with writing but with worries and sighs."

With much effort, in short and precarious moments of peace and quiet in those terribly troubled times, Miron Costin began to write his chronicle, a work of history, of memoirism and literature. He himself declared: "My thought, dear reader, was to do the chronicle of our country of Moldavia from the first founding of the state." He wanted to write a militant history, in defense of the Romanian people, derided by a number of "storytellers," a history of the truth, written in as pure and beautiful Romanian speech as possible. In exile in Daszow, in John III Sobieski's Poland, he composed "The Polish Poem--a History of Moldavia and Walachia in Polish Verse." In this work, conceived as an epic, with scientific and emotional, artistic elements, Miron Costin argued for the cause of justice and of the freedom of Romanian people everywhere. He wanted the chronicle to continue the one composed by Ureche, filled with a greater wealth of information and done with more literary talent. He wanted to be as poetic, as artistic as possible, precisely in order to express the purest, boldest, most necessary, and most unforgettable truth. And, indeed, from the way in which he uses comparison and dialogue, introduces description and portraiture, analyzes and comments on the factual material, and endeavors to provide an elaborate stylistic form for artistic effect, Miron Costin, as P.P. Panaitescu observed, "is the first Romanian writer who tried to create a mode of literary expression for the Romanian language." His models were, as was natural for one who studied in Bar, the works of the Latin-language historians. "What comes from his pen," G. Calinescu wrote, "far less spontaneously than in Ureche's case, is the result of art." Therefore, in his great love for the language of our ancestors and through his knowledge of the popular language, in its most authentic and proper spirit, he achieved a true model of literary language, generally Romanian, unique, adorned with artistic virtues of its own, which were then to be developed by Neculce, Alecsandri, Bolintineanu, and Balcescu, up to Eminescu, Creanga, and Sadoveanu.

In all his work, Miron Costin narrates with spirit, with color, with liveliness, with meaning, and even with fun. He frequently uses dialogue, portraiture, folk sayings, and expressions from everyday language. He cultivates significant details, anecdotes, and witticisms. Many "anecdotes" from the events narrated by him have become or will be able to become, henceforth, subjects of historical novelettes or novels. The portrait sketches are graphic, vigorous, and evocative: "There was this lord, Prince Radu, complete in everything and whole in spirit. The words that he spoke were like law to everyone, the thoughts of great fairness and deliberation, without hypocrisy, with honesty, with goodwill." Or: "Prince Barnovski was very stately in his disposition and proud in the wearing of clothes, but very just and ungreedy and kind in heart." Or Prince Vasile Lupu: "Moldavia could not contain him, like a man with a lofty and imperial, more than lordly, nature...." "He was like a

lion in spirit and in body...." Classically, the portrait of Matei Basarab, a true masterpiece of the genre, stands out: "A blessed man in all areas of that country. an unproud, kind, just man of the country, diligent in war, so invincible and fearless that you can compare him to the great warriors of the world." All these things involve literature and show, once again, how necessary, how effective the conjunction between history and artistic writing is.

A contemporary and friend of Miclescu and of Dosoftei, the translator of "Psaltirea" [The Psalter] into verse, Miron Costin was closely concerned with literary writing. And we believe that he is the first who tried to provide notions of prosody for the Romanian language: "In all countries, dear reader, there is this kind of writing, which is called 'ritmos' in Greek and 'stihoslovie' in Slovene, and with this kind of writing many have related the deeds and glories of the emperors, of the kings, of the lords and the beginnings of the countries and of their empire." Miron Costin also demonstrated an interest in poetry, if not literary, poetic talent, in the philosophical poem "The Life of the World," where he tried to show, "in short, how sad and meager our life is and always subject to dangers and changes." The very first verse points like a prophecy: "I sing sadly of the terrible life of the world / With worries and dangers, as is also thread / Too thin and living for a short time / O, cunning world, deceptive world. / The days pass like the summer shade. / Those that pass come no more nor return again."

Miron Costin is a gifted pathfinder in cultivated Romanian literature. His work as a historian has acquired an enduring character. To him we owe the idea of presenting our people's past, starting from the Daco-Roman origins--a cardinal idea in demonstrating our Roman origin and the unbroken continuity in this abode of national habitation. The chronicler's literary work proper, although modest, has the inestimable value of breaking new ground, of planting thought and action, continually fruitful and illuminated by truth. His chronicle, like that of Gr. Ureche or Ion Neculce, is a real mine, a rich source of inspiration for literature with historical themes. A historical novel of the life of Miron Barnovski, for example, Vasile Lupu, or Gheorghe Stefan finds in "Letopisetul tarii Moldovei de la Aaron voda incoace" [The Chronicle of Moldavia From Prince Aaron on] both the epic foundation and the psychology of the characters and the dramatic color of the era. Sadoveanu opened the way for us with "Domnita Ruxandra" [Princess Ruxandra], reviving and reinvigorating a past that seemed faded and dead.

I was one of those who felt that chronicler Miron Costin's life itself, the political and cultural struggle, and his conflicts with the Rusetestii family and with Prince Constantin Cantemir, all ending with the so tragic death in the winter of 1691, could form the theme of a historical novel. I wrote it, at the prompting of Prof N. Iorga, at a time when the clear skies of the world were becoming terribly cloudy. It appeared in December 1939. It was my first book and I thank, from the bottom of my heart, all those who guided me in writing it and helped me to publish it. It was (and may still be) a luminous book about people fighting with sword and pen for freedom and kindness. A tale with the heroes who had launched into the Romanian consciousness the graphic and symbolic expression: "Thought triumphed...." A book into which

there also entered villains and criminals, who tried to prevent at any price the triumph of thought, of truth, of light.

It happened that, in November 1940, less than a year after the appearance of the book, N. Iorga was murdered. And the description made by me of the time, conditions, and circumstances when chronicler Miron Costin was murdered and thrown into a snowdrift, on the outskirts of Roman, was like an almost identical omen of the barbaric murder of the historian of our era, felled and mutilated on the outskirts of Ploiesti. Winter, fog, frost, anarchy, fear of war. A similarity of destinies indicative of the very history of our people and country, which have suffered so much, nonetheless managing to rise from their own ashes like the bird in mythology.

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CSO: 2700/87

VRCAN SUPPORTS SLOVENIAN INITIATIVE ON RELIGIOUS HOLIDAYS

Belgrade BORBA in Serbo-Croatian 26 Dec 86 p 2

[Statement by Prof Dr Srdjan Vrcan, sociologist and member of the Croatian LC Commission for Ideological-Theoretical Work]

[Excerpt] I see no reason why political temperatures throughout Yugoslavia are rising because of these initiatives in Slovenia; even more so, I see no reason for [their] raising some ideological dust. It seems to me that one should relate to these initiatives as one would toward something completely normal, and one should only regret that it was not done earlier.

I would not join those voices which treat this Slovenian initiative as proof of some special Slovenian behavior which is to be condemned. On the contrary, I would understand this initiative as a model which some other areas should follow.

In regard to the fact that a religious functionary was given an opportunity to speak over the radio, I stressed quite a while ago on other occasions ... that I see no solid or good reasons why religion and the church should be taboo when one can say anything and everything on television. I do not see, in fact, a reason why anyone should be excluded a priori from being a possible user of the mass media, based only on his particular relationship to religion. On this occasion I ask: Must religiousness in itself always be politically suspect,....?

I see in the Slovenian initiatives one more step toward further improving also the good relations between the religious communities and society. It is certain that this would have to be understood in Slovenia as a further step by all society toward reducing the area of possible conflict around all matters which do not need to be colored politically. I believe that this should be included within that which is called normal behavior in a society such as ours which should be highly tolerant, and should be characteristic for a high level of democratization; all the more so since we at the same time are a society which is very complex and heterogeneous in a religious sense. Any different view of things would mean that all institutions of society are atheistic institutions which by definition cannot endure the public presence of religion and religiosity or can endure it only as something which is a "foreign element" which must be tolerated.

As far as I am concerned, I think that in a self-management socialist society one should not stand on the positions of state atheism or of an atheistic state, but rather on the positions of a secular, layman's social system which has no atheistic character by definition. I would welcome it if in our country the custom were introduced of having SAWP representatives in certain republics on such holidays turn in some way to believers who are members of the Socialist Alliance and offer good wishes to them on specific religious holidays. I would also consider it correct for the highest government representatives in republic presidiums to also do this.

As far as I know, one opstina representative in Croatia has done this up to now, sending a letter on Christmas and new Year's to the church dignitary.

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BRIEFS

KOSOVO SEX CRIME DATA--At a 4 December 1986 meeting in Pristina organized by the SAWP of Kosovo coordinating council for internationality relations, Veselj Ljatifi, Kosovo secretary for judiciary matters, reported that, from 1981 to November 1986, 373 criminal acts against personal dignity and morality had been committed, including 77 rapes, 92 attempted rapes, 67 sexual or illegal indecent acts against persons under 14 years of age, 32 attempted acts, and 54 indecent acts. Of the total number 15.5 percent (58 cases) were committed against the Serbian and Montenegrin nationalities by those of Albanian nationality. In seven cases the victims were of Albanian nationality and the perpetrators Serbs or Montenegrins, in 38 cases both perpetrators and victims were Serbs or Montenegrins, while in 227 cases, or 60 percent of the total, both perpetrators and victims were Albanians. [Excerpt] [Belgrade BORBA in Serbo-Croatian 5 Dec 86 p 4] /7358

SREMSKA MITROVICA PRISON THEFT--At an 18 December meeting of the Vojvodina Assembly Andjelko Kojcic, Vojvodina Secretary for Judiciary Matters, reported on the latest events at the Sremska Mitrovica prison, saying that abuses by 17 persons had been uncovered in the prison; six of these persons were employed at the prison, including two assistant administrators. Criminal actions included bribery, stealing, and misuse of official positions. [Initial press reports on 9 December reported the theft amounted to over 23 million dinars.] This is the first massive case of such actions at the prison; but there were several examples previously.... [Excerpt] [Belgrade BORBA in Serbo-Croatian 19 Dec 86 p 4] /7358

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BRIEFS

HUNGARY DISCOVERS DRUG PROCESSING LABORATORIES--For the first time, drug processing laboratories were discovered this year in Poland and Hungary. In the latter country, the cultivation of the poppy is legal, and there are numerous drug addicts. Hashish is cultivated for industrial purposes and is often stolen from the fields, and a number of cases related to illegal marijuana fields have been handled by the police in Eastern Europe. [Excerpt] [Paris LE MONDE in French 14 Jan 87 p 1] /9274

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