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1 DECEMBER 1986

EAST EUROPE REPORT

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ECONOMIC DEVELOPMENT PROCEDURES OUTLINED

East Berlin EINHEIT in German Vol 41 No 10, Oct 86 (signed to press 11 Sep 86)
pp 876-883

[Article by Dr Guenter Mittag, member of the SED Central Committee Politburo and Secretary of the SED Central Committee: "Management, Planning and Effective Accounting in the GDR National Economy"]

[Text] "The GDR has a well functioning system of socialist planned economy at its disposal. It proves efficient, dynamic, and flexible." (Footnote 1) (Comrade Erich Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED," Dietz publishing house, Berlin, 1986, p 44) That fundamental observation, significant for all efforts, came from Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, in the Central Committee report to the 11th SED Congress. The system of the socialist planned economy in the GDR, which is proving itself in life and exists in complete conformity with the requirements of our course toward the further shaping of the developed socialist society, was created under our party's leadership through creative application of Marxist-Leninist theory. On that foundation, in accordance with the objectively conditioned interactions between productive forces development in the comprehensive sense and the requirements arising from it for the further shaping of socialist production relations, management, planning and effective accounting are steadily being perfected.

A continual process is thus taking place in the further development of our socialist planned economy the fundamental elements of which have long already determined the effective functioning of our national economy. They pertain to central state planning and balancing of fundamental proportions and linkages in the economy and to the unity between use value and value. That includes that planning tasks obtain legal authority and become mandatory lead assignments for all areas of responsibility down to the combines and enterprises. It also includes that the preparation and implementation of the national economic plan are managed uniformly on all levels. As another basic element of the socialist planned economy there is the in-house responsibility of the combines and enterprises for most efficiently managing the process of intensive expanded reproduction in their area of responsibility. To that end one is using effective accounting with its categories like costs, prices, profit, credit and interests including also the in-house procurement of funds on the basis of the plan.

All this is aimed at uniformly focusing the efforts of the combines and enterprises and those of all the links in the socialist planned economy on overall social interests and requirements, clearly defining their responsibilities, and ensuring the economic interest in the most efficient solution of the tasks posed by the plan. Based on that, the 11th party congress resolutions are directed at the further perfecting of the management, planning, and effective accounting in the GDR national economy.

The main task course with its united economic and social policies has been and is being successfully implemented through this proven socialist planned economy system while the change was made to intensification. That is underscored by the impressive balance sheet the 11th party congress has presented on socioeconomic development in our republic. Steady dynamic growth has been recorded from 1970 and 1985, these one and a half decades since the eighth party congress:

- The produced national income rose from M 117,4 billion to M 232,8 billion; it more or less doubled, in other words.
- The industrial net product rose from M 80,5 billion to M 174,5 billion, i.e. by 117 percent.
- The average fund of capital assets in the producing areas of the economy rose from M 370,7 billion to M 820 billion, i.e. by 121 percent.
- The number of working people with finished vocational training, which had been 3,917,300, rose to 6,650,300. That increased their proportion in the total work force--which as such rose from a total of 7,769,000 to a total of 8,539,000--from 58.7 to over 85 percent.
- The working hours of a production worker per M 1,000 of industrial gross production in industry dropped from 23 to 11.5
- The average monthly take-home pay in workers and employees households rose from M 1,031 to M 1,746.
- The number of completed apartments rose from 76,088 to 212,222.
- As many as 2,726,200 apprentices were trained in this period who all got a job or started advanced training at technical schools and colleges. As many as 1,064,100 students graduated from technical schools and colleges, and all were offered jobs in accordance with their qualifications. Full employment has been, is, and will remain a characteristic feature of socioeconomic development in the GDR.
- We preserved the principle of stable prices for basic necessities, rentals, and fares. A bun still only costs 5 pfennig, rentals, per square meter of new housing lie between 80 and 90 pfennig or, in the capital of Berlin, between 1 mark and 1.25 mark. Short-distance fares in Berlin are 20 pfennig one-way.

All these and many other irrefutable facts prove that the socialist planned economy in our republic serves the well-being of the people.

Decisive for its effective functioning still is the party policy with its strategic orientation derived from the scientific analysis of the social development requirements, especially of the processes of intensive expanded re-production, which is brought to realization in the everyday struggle for fulfilling the plan tasks. The dynamic performance development of all combines and enterprises can and will be ensured only if high and increasing performance growth is ensured day after day and if one, at the same time, constantly attempts

to bring to bear still more the qualitative growth factors, especially through effectively applying the key technologies. That is the way for further implementing the main task with its united economic and social policies--it being the course which so effectively pushed ahead the GDR under its party's leadership since the eighth party congress, which triggered so great a mobilizing effect amidst our people while it also established the high international effectiveness of the GDR's policy, aimed as it is at the safeguarding of peace. We shall stay on that path through the 11th party congress resolutions in conformity with our responsibility for the further consolidation of socialism as the foundation for preserving peace with all consistency.

The close and fraternal collaboration between the GDR and the USSR is aimed at this consolidation of socialism. It is being further deepened in conformity with the agreements between Erich Honecker and Mikhail Gorbachev. The GDR is making its active contribution to implementing the comprehensive program for the scientific-technical progress of the CEMA countries.

Socialist Planned Economy Inherent in the Essence of Socialism

Socialist property is the socioeconomic foundation of our socialist planned economy. In terms of the net product, 96.7 percent of it is produced on the basis of socialist property at the scope of the economy as a whole. If one looks at specific branches, it comes to 100 percent in industry, 94.1 in the building trade, 96.3 in agriculture and forestry, and 98.3 in transportation, post and telecommunications. It means that nearly the entire economy of the GDR is based on socialist property. Integrating components of the economic organism furthermore are private crafts enterprises and retail stores, shops of commission dealers, and other tradesmen. That is of great importance, mainly, for supplying the population with repairs and services and for providing the stocks offered with variety. It also preserves traditional and indispensable skills and facilities.

Decisive for our policy, aimed at the well-being of our people as it is, is and remains that in our republic, in which under SED leadership the working class, together with its allies, exercises power, the vastly larger part of our economic product is produced and appropriated socially. The fundamental principle for managing the socialist economy is the principle of democratic centralism. It connects, in the interest of the state as such, central state management and planning organically with the in-house responsibility and creative initiative of the combines and enterprises, and with the activity of the cooperatives as well as the territorial organs, the towns and communities. The dialectical interaction inherent in this principle between socially binding, politically precisely formulated objectives and the mass initiative for their implementation has proven itself and will continue to be a powerful source for the dynamic development of the economy and all domains of public life.

The socialist planned economy is one of our people's great historic accomplishment. It demonstrates that in the decisive sphere of public life, in production in the widest sense, men are not surrendered to objectively functioning economic laws as if they were blind forces of nature, but that they can

comprehend these laws, deliberately conform to their requirements, and use them according to plan in the social interest. That is a qualitatively new situation contrasting with all those forms of society that rely on the private ownership in the means of production and the concomitant exploitation of man by man.

Consequences from the New Stage in the Scientific-Technical Revolution

Comrade Erich Honecker expressed at the 11th party congress that our party was carrying on its proven policy of reacting early in the game to ripening problems so as to keep in step with life. That presupposes the willingness to adapt to innovations, not to stick to old habits, but actively and creatively to look for appropriate solutions. "In this approach to further applying our economic party strategy and in further steps toward perfecting the management, planning, and effective accounting in our national economy, there also is expressed the creative approach to Marxist-Leninist theory and its development. In the future also we shall have to fashion the socialist production relations in such a way that they will encourage the dynamic development of the productive forces on behalf of consolidating socialism." (Footnote 2) (Ibid., p 27)

Our party's economic strategy with its view toward the year 2000 places on top the task to connect the advantages of socialism still more effectively with the scientific-technical revolution, which has entered a new phase. This new phase is marked by the comprehensive penetration of the entire economic reproduction process with the key technologies. This involves microelectronics, modern computer technology and computer-aided design, project planning, and production control, the use of flexible automated production systems, new processing procedures and working materials, biotechnology, nuclear energy, and laser techniques. Through this productive forces development the chances are growing for rapidly upgrading production, improving its quality, and reducing its costs to an unprecedented degree. "In this field decisions are made on the growth rate of labor productivity on which depends how our economy can meet men's needs and the diverse inherent requirements in our country's development and can stand tall in the world." (Footnote 3) (Ibid., p 49)

Applying the key technologies is of towering importance for preserving also in the future the comprehensive character of intensive expanded reproduction and turning it into a permanent foundation for economic growth. From this qualitatively new step of the process of intensive expanded reproduction, which after all constitutes the main objective of management, planning, and effective accounting, there result further implications for shaping the socialist planned economy. The decisive starting point for it lies in that the uniform process of intensive expanded reproduction in the economy proceeds as a whole and in the combines at the same time. The trend here is that of largely closing the cycle of intensive expanded reproduction within the scope of the combines so "that in principle it leads from the raw material, the initial material, all the way to the highest refinement levels." (Footnote 4) (Ibid., p 46) The combines, in conformity with the plan, are responsible for the uniform management of the reproduction process, including the foreign trade functions. The foreign trade enterprises or companies belonging to the combines simultaneously are accountable to the foreign trade ministry.

This way the combines are turned into the broadest base for an economically effective development and application of the key technologies. Necessary for it is that science and production are organically linked in them and that they have at their disposal the requisite scientific capacities for reconstruction, project planning and technology and for their in-house rationalization means construction. This close linkage between science and production in the combines themselves at the same time creates, on an economic basis, cooperation between the combines and the institutions of the GDR Academy of Sciences or the universities, organized through contracts. Thus the effect of the republic's important science and educational potential is boosted toward a high scientific level of production and concomitant economic results. This is the way that has already been taken with success.

The combines have to be further developed toward their producing the quality-controlling ancillary supplies themselves. That includes especially the use of microelectronics. What matters here is that the performance-controlling components are more and more manufactured by the final producers themselves. That way alone can one cope with the upgrading process at the rate and grade needed today and with the aim of bringing out products setting world standards. That alters the combines' production profiles. It is a basic prerequisite for working highly effectively everywhere and, above all, rapidly reacting to requirement changes.

This further development of the combines now is the most important step for so perfecting the socialist production relations that they take account of the qualitatively new developmental level of the productive forces. Through a deliberate and planned shaping of the labor socialization process, as the classical authors of Marxism-Leninism envisaged it, those conditions have to be created that conform to the objective dynamics and complexity in the application of the key technologies.

Microelectronics, to mention only one of the most important aspects, pervades the economy today in its whole range. No sector remains untouched by it. That comes by way of microelectronics application in the products as well as the technological processes. It changes the appearance of entire economic sectors. Modern electrical engineering and electronics are no longer conceivable without microelectronics. Hardly any of their products could stand up to international quality criteria without the use of microelectronics--regarding their use value and the costs and the profit to be made.

On the basis of electronic controls, microelectronics likewise alters the profile of machine building. The proportion of products equipped with microelectronics in machine tool and textile machine construction, in the polygraphic industry and in other sectors already exceeds 50 percent of total production. Along with increasing requirements made for the precision in mechanical processing and the accuracy and matching of component sets and parts, the quality of electronics to a large extent determines the functionality and economy of these products completely changed in character. Single machines and aggregates no longer predominate, but computer-controlled digital processing cells and entire flexibly automated production sections are determining the trend. Their economy, in turn, is determined by the scientific-technical

achievement contained in them, by the level of programming, i.e.--to put it pithily--by the software. It is a component of the material product. It crucially influences the economy. This brings to realization that process which was described already under entirely different historic conditions by Friedrich Engels, when he wrote: "The intellectual element certainly belongs among the production elements and will find its place in the economy also among the production costs." (Footnote 5) ("Outlines of a Critique of the National Economy," "Werke" [Works], Vol I, Dietz publishing house, Berlin, 1956, p 509)

The qualitative factors which depend on the application of the key technologies then are the ones that are going to control growth. So a direct interaction develops between the application of the key technologies and speeding up the rate of labor productivity, which in the socialist industry already determines performance growth at 100 percent. That also holds true for further trimming the specific energy and material consumption and for a still greater capacity utilization of the capital assets available.

This qualitative production growth also expresses itself mainly in the degree of production upgrading, in the increasing proportion of those products that meet the highest qualitative international demands and the growing demands of our population. The emphasis is thus placed not merely on the growth of production volume, but on its being combined with coping with an upgrading process oriented to high qualities and increasing economic results.

This results in the need to react flexibly to the demand for new products. This higher flexibility is an objective requirement derived from the economic utilization of the key technologies. The economic outcome is more than ever subject to the time factor--particularly the point in time when new products are made available in sufficient units. Thus a flexibly organized technology and production becomes a crucial intensification factor.

All that of course requires appropriate steps toward perfecting management, planning, and economic stimulation. The starting point for it is and remains the proven regard for the four chief parameters in performance rating: net production, profit, export, and the output of finished products for the population. Thereby the production growth and the outcome of intensification are connected with each other as soon as the performance of enterprises and combines is rated, while the unity of value and use value is assured. And so the work of the combines and enterprises is geared to the decisive economic requirements: a high growth in the national income and a maximum distributable economic end product.

The 11th Party Congress Requirement Is Being Implemented

According to the 11th party congress resolutions, further measures have been prepared to perfect management, planning, and effective accounting. They rely on the status achieved and the proven course of development and consolidation of our socialist planned economy in conformity with the principle of democratic centralism. They take new qualitative requirements into account which result from the implementation of the economic strategy with an eye to the year 2000.

In their main thrust they are geared to further strengthening the central state management and planning of the economy while increasing the combines' and enterprises' own economic responsibility.

These new steps mainly take into account the fundamental social fact that in preparing and implementing the 11th party congress resolutions the initiative of the working people--the scientists, researchers, engineers, technicians, designers, production workers both male and female, the economists, the industrial economists, all those involved in management and administration--has increased and the responsibility of the executive cadre has developed further. That finds its expression in high quantitative and qualitative results of socialist competition, organized by the trade unions and so brilliantly shared by the FDJ, the youth brigades, and the youth research collectives.

The new measures focus on the combines' and enterprises' economic responsibility for intensive expanded reproduction based on the plan. They offer the combines and enterprises new opportunities to tap and use the qualitative growth factors for higher performance development while costs are trimmed. That is served mainly by the principle of in-house production of means for the most efficient way of dealing with the process of intensive expanded reproduction in the combines. This in-house production means combining effective accounting still more closely with the intensive expanded reproduction cycle.

The combines are assigned a higher responsibility for producing and using those means that serve the modernization and reconstruction of the basic assets. To that end an investment fund is being set up, to be used under their own responsibility, supplied by amortization shares as projected by the state plan and shares of the net profit to be produced. The size of allocations is set down for each combine in accordance with its specific conditions, as a state plan parameter being of normative character. That establishes a direct connection among the achievements of the combine in current plan fulfilment, the production of modernization and reconstruction funds, and the performance improvement in turn resulting from it.

Simultaneously, credits and interests are more effectively still used for implementing investment measures. Proceeding from an economic base interest rate for fixed and working capital credits, under certain conditions interests are reduced. That is meant to help in making investment projects more effective, especially measures for a broad and accelerated application of key technologies or for meeting or even cutting back the deadlines for completing economic investment projects that have a decisive influence on economic structure.

The general and chief contractors of investment projects are induced to cut back their construction time frames and to deliver ahead of time. One then also strengthens the unity of material and financial planning in the placing of investments. Thus through the plan and through effective accounting the combines are directed more still at presciently ensuring a steadily climbing performance development through modernization and reconstruction. These measures maintain a close connection with the material prerequisites existing already in the combines for modernization and reconstruction in the form of their own rationalization means construction. As the combines and enterprises

are then also given economic incentives for coming up, as early in the game as possible, with high achievements while expenditures are kept as low as possible, the way of modernization and reconstruction is emphatically being endorsed.

This also strengthens socialist industrial management in the combines and enterprises. It has been set down that especially the value forming processes due to the application of the key technologies are to be reflected more effectively in cost accounting. That mainly relates to technical engineering accomplishments including those in the production of software.

Called "non-material achievements" in the language of planning methods, those achievements increasingly determine the use value and value of products, largely control their quality and economic benefits, and are a component of the material product. Such technical engineering achievements are playing an increasing role in machine tools, textile and polygraphic machines, and all sorts of equipment. A flexibly automated production system, e.g., actually can attain its true utility only through the software that has been put into that system.

This heightened responsibility the combines and enterprises have for socialist industrial management is also supported by measures in the field of prime cost planning. Central cost planning is concentrated on four crucial cost parameters:

- Costs per M 100 of commodity production and their reduction in percent,
- material costs per M 100 of commodity production,
- wage funds for the workers and employees, and
- allocations to the cultural and welfare funds.

That makes the costs firm components of the plan in terms of elements that determine the national income. Proceeding from there, the combines and enterprises on their own divide the costs different as they are as to the dynamics and flexibility of the reproduction process. That, on the basis of the plan, boosts the responsibility of the combines and enterprises for still more effective socialist management. And this then also is another expression of our proven manner of dialectically combining economic planning with effective accounting in the combines and enterprises.

This also applies to the returning of funds to the state. This "returning of funds by means of State Bank checks" has been found useful because this way there is then an additional benefit when financial and material accounting takes place through the savings in embodied labor. Now the combines' and enterprises' fund returns are given economic incentives in that they are reflected by effective accounting. The incentives are the highest for those fund returns that result from scientific-technical measures and reduce consumption further: two percent of their value may be funneled into the combines' discretionary funds. When extra-plan inventories are to be used, one percent may be used for the discretionary fund. Primarily such funds are to serve the handing of bonuses to enterprise collectives that were significantly involved in mobilizing the fund returns. All these stipulations will be very effective as contributions to heightening the interests of the enterprises and combines and collectives in mobilizing economic funds.

Economic balancing is lifted unto a qualitatively higher plateau through the comprehensive application of computer-aided balancing for materials, equipment, and consumer goods. The 11th party congress issued the assignment to have the computer-aided balancing system systematically organized all the way from the State Planning Commission through the relevant ministry to the combine, based on the experiences gained by the ministry for chemical industry and the ministry for ore mining, metallurgy, and potash.

Now it has been decided that still this year or in 1987 we shall have to start in all producing sectors of the economy to apply throughout the opportunities for computer-aided balancing. This sets the premises for a higher grade of balancing throughout the entire economy. The State Planning Commission can then, via the ministries and down into the combines, make more expert, flexible, and uniform decisions on balancing in accordance with economic requirements.

This way the task assigned in the Central Committee report to the 11th party congress, of linking the strengthening of central state management and planning more intimately with the combines' own activities under their own responsibility, will then be implemented in that the combines' production process is further developed, the linkage in our economy through the balancing in the unity of value and use value can better be coped with, and the categories of profit, costs, price, rate, credit, and interests are more compellingly aimed at the combines' economic interest in high-grade production according to needs, productivity, and efficiency. Thereby precisely we serve the continued successful implementation of the main task with its united economic and social policies as the key to the economic strategy up to the year 2000.

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INDUSTRIAL IMPLEMENTATION OF SCIENCE, TECHNOLOGY EXAMINED

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[Article by Prof Dr Helmut Koziolk, member of the SED Central Committee and Director of the SED Central Committee's Central Institute for Socialist Economic Management: "Our Socialist Way to Mastery of the Scientific-Technical Revolution"]

[Text] For quite some time now results have been achieved through our country's efficient and flexible planned economy which clearly prove that steady, dynamic, and crisis-free economic development has successfully been brought about while the people's material and cultural standard of living, as it is characteristic of the nature of socialism, has been improved. (Footnote 1) (Comrade Erich Honecker, "SED Central Committee Report to the 11th SED Congress," Dietz publishing house, Berlin, 1986, p 44) The produced national income--which expresses the performance and efficiency growth of the economy--doubled from 1970 to 1985. The industrial net product in the same period rose by 217 percent, that of the building trade, by 180. On the basis of such performance and productivity growth, the united economic and social policies as expressed in the main task, introduced by the Eighth SED Congress in 1971, led to a significant improvement of the material and cultural standard of living.

The balance sheet drawn up on these results by the 11th party congress is of an importance of principle as it shows what economic and social advances socialism is capable of through using its advantages. The decision to carry on this main task policy gives us clear guidelines for the period ahead on how these advantages are to be used and must be made still more effective. The ten points of the economic strategy with an eye to the year 2000 and the measures connected with them for perfecting management, planning, and effective accounting are pointing the way to it.

Successful Turn Made to Comprehensive Intensification

By means of the socialist planned economy the turn was made to comprehensive intensification in the first half of the 1980's. The essential feature of it is that the growth rates in labor productivity, noteworthy even in international terms, result almost completely from the technical use made of science and

technology data. That is attested to by the significant increase in the production and application of microelectronics. Thus the assortment of active microelectronic components was expanded from 209 basic types in 1980 to 612 in 1985. The production of special technological equipment that is prerequisite to a higher technological level and a more productive manufacture of microelectronic components, was nearly doubled in this period. It is also attested to by the noted production boost in modern computer technology; that of microcomputers, for example, increased tenfold in this period. And it is also indicated by that nearly 49,000 industrial robots were produced and 30 percent of the machine tools and processing centers produced in 1985 got NC or CNC controls.

The turn to comprehensive intensification was marked, moreover, by a material and energy consumption that stayed the same or partly even dropped while the output increased. Thus between 1981 and 1985, circa 40 percent of the national income growth came out of reduced specific production consumption. The economic performance increase thus was organized on a foundation that is new in principle. For the first time in a 5-year period the national income grew faster than the production consumption.

Among the qualitative factors sustaining economic development in the first half of the 1980's and effecting a considerable productivity and efficiency boost, furthermore, are the more rapid production replacement, its better quality, and the introduction of labor-saving technologies. With it, there came fundamental changes in the production profile, especially in industry, because of the priority growth in those sectors that largely determine scientific-technical progress. Thus in 1985 the sectors of electrical engineering and electronics, the chemical industry, and machine tools and vehicle construction came up to 50 percent of all industrial production. While industrial gross production on the whole rose by 122 percent from 1980 to 1985, machine tools increased their production by 144, the electronics industry by 200, and the precision mechanical and optical industry, by 191 percent. That created important premises for raising the economy onto a higher efficiency level. As a precondition for it, and as a basic condition for stable economic growth altogether, the strengthening of our own energy and raw materials base, proven for many years, was consistently carried on. All these processes went on while the economic and scientific-technical cooperation with the USSR and the other CEMA countries became more and more efficient.

In the outcome of it a structure evolved that relies on the modernization of what there is and its close links with innovations. Linked closely with traditional branches, new industrial branches evolved marked by a qualitatively changed production structure and modern technologies all the way to flexible automation. More and more clearly the profile of a highly effective industrial country took shape.

Based on the higher dynamics and effectiveness of our economy, due to comprehensive intensification, and to its important qualitative changes it became possible to meet the new demands. There have long been signs internationally, after all, that at an increasing rate new insights are gained, new procedures are developed, made applicable in practice, and are applied broadly, that the

hastening of technical progress is increasingly of more consequence to economic growth, and that there is a rapid increase in the supply of new products that are distinguished by new properties, high qualities and a very efficient fabrication and application. These matters we were able to adapt ourselves to better and better. Through comprehensive production intensification and penetrating upgrading we were in the position not only to keep pace with the dynamics of the productive forces in essential sectors, but even to gain ground and thus use more effectively still than before the results achieved for strengthening socialism and for the good of men.

Clear Concept for the Development of the Modern Productive Forces

Proceeding from the new stage the scientific-technical revolution has entered, and in preparation of the 11th party congress and through its resolutions, the role of the key technologies in increasing our economic performance was clearly defined. Comrade Erich Honecker has placed their importance for rapid retooling, better qualities, and cost reduction at the center of the economic strategy and emphatically emphasized that the effort on behalf of scientific-technical top achievements, which is to be led at an ever increasing range, can have success only if the key technologies are fully brought to bear on it.

Lasting influences on the economy and the society as a whole come from them. They promote the economic structural change and cause the labor productivity to rise notably. To what extent they radiate throughout the economy because of their broad applicability can be seen in many ways: from entirely new possibilities, e.g., for the energy economy all the way to profound changes in the agricultural reproduction process due to the complex use of mechanical, electronic, and biological tools on which these technologies depend. One must emphasize the strong impulses the key technologies trigger for the further development of science and production and the impetus they lend to an increasing intertwining of science disciplines with production branches and customer requirements. And they also produce strong pressure for improving qualities with regard to the technologies as well as the products brought out by them. All this leads to higher productivity and efficiency and exercises a strong influence on the dynamics in productive forces development.

Through the application of key technologies, above all, the qualitative factors are tapped for further performance growth, for which the 11th party congress staked out the new criteria. Thereby the essential decisions are made about the growth of labor productivity on which depends how our economy can meet the needs of men and the various domestic requirements in our country and how our republic maintains itself in the world. Through the rapid development and broad use of the key technologies we conform to the law of time economy: through the possible reduction of expenditures in live labor in material production, time can be saved and used for other socially useful and necessary activities. In various ways the key technologies deeply affect the working people's working and living conditions, facilitate the labor of many thousands of people, and expand their elbow room for acting creatively.

The clear focus on the further development of the productive forces, mainly through the broad application of the key technologies, is an element of our

party's theoretical concept for the shaping of the developed socialist society, for which a qualitatively new sector was introduced through the 11th party congress resolutions. The decisive point is that with the socialist planned economy, with the development of the socialist production relations altogether, we will deal properly with the new productive forces and "further the dynamic development of the productive forces on behalf of strengthening socialism." (Footnote 2) (Ibid., p 27) That is done, in particular, by the steady perfecting of the management, planning, and effective accounting in our economy.

Further Combine Development

The backbone of the socialist planned economy in our country and the agents of performance growth, as one knows, are the combines with their enterprises. They have fully proven their mettle as a modern management form for socialist large-scale production under the conditions of intensification. By their being formed the most efficient form, as we see it, of sustaining public property under the conditions of an organic connection between the advantages of socialism and the scientific-technical revolution was created. The efficiency of the combines decisively depends on the uniform management for all important phases of their reproduction processes. The combines and their enterprises--on the basis of democratic centralism and the streamlined mandatory plan--possess a definite economic responsibility of their own. What distinguishes them is the close tie between science and production, the shaping of a relatively closed reproduction process within the combine, the ability to work efficiently, to conduct successfully the struggle for international top achievements in important areas, and to develop the working people's creative capacities.

In the development of the combines and in their work there are embodied essential steps toward further perfecting the socialist production relations, the actual socialization, as required, in conformity with the social plateau our country has reached, and with an eye to the year 2000, to take account of the dynamic development of modern productive forces. How well one succeeds in using the advantages of socialism for coping with the requirements of the scientific-technical revolution, that is ultimately decided in the combines' reproduction process, for which their planned cooperation with the science institutions of the Academy of Sciences and with universities and technical schools has gained considerable and increasing importance. From the changes in science, technology, and production, qualitatively new requirements are derived for further developing the cycle in the combines and its management and organization. They tend toward further closing the reproduction process, according to plan.

Thus the 11th SED Congress directive for the 5-year plan on the development of the GDR economy, 1986-1990, envisages another acceleration of the development and application of computer-aided project planning, design, and production preparation and implementation. Up to 1990--and mainly in the combines--85,000 to 90,000 CAD/CAM stations will have been installed, and for bringing in complex automation, between 160,000 and 170,000 office and personal computers, between 1,900 and 1,950 small data processing installations, and between 660 and 670 ADP installations will be produced. Highly efficient engineering workbenches, based on computers with a high processing range,

efficient storage techniques and graphic input and output devices are being developed and made available to users. That opens a broad field to high efficiency--from significant cuts in working hours, briefer run-through times, reduced stocks all the way to a high capacity use of the basic assets. With it, qualitative changes are being introduced to the work in the combines as in all other sectors of the economy and of public life. The use of computer technology functions as a catalyst in perfecting labor organization in the combines and their enterprises. As the experience with the successful installation of CAD/CAM technology indicates, the introduction of such technologies raised new questions for the management, industrial operations, and the overall organization in the combines and enterprises that are calling for new solutions. This involves the order and intelligibility of the primary data all the way to every job, the streamlining of primary data within the enterprises or combines, and properly automated organizational solutions throughout from production preparation to sales. The store of experiences in using this technology is growing day after day in the enterprises.

Flexible automation is making fast headway. By 1990 at least 60 complex automation projects will be in place in the metal working industry and 35 in other economic branches. The production volume accomplished through automation will have tripled in the metal processing industry by 1990. Great efforts are imperative for it because only through the unity of modern computer techniques, automated design and production preparation and their connection with industrial robot techniques and efficient digitally controlled machines is flexibly automated production feasible. Transportation, transshipment, and storage processes also must be drawn into this production and this in such a way that automatically controlled storage and transportation systems are coupled to the production rhythm. The automation solution assuming regular operations in April this year in the John Schehr machine factory in Meuselwitz, which meets such criteria, boosted labor productivity by 600 percent and shortened the run-through for parts, compared with processing the pieces through conventional single machines, from the previous 2 months to only 2 to 3 days. Still this year that system will become operational in the automated enterprise.

Through flexible automation we follow a technological concept that makes possible our economically controlling assortment expansions, bringing out product generations at briefer intervals, and finding new opportunities for combining large-scale with series and single unit manufacture. This too raises, in principle, new requirements for production, labor, and operational organization. They range from the materials economy via operational production management to the storage, the shipping, and the customer service. And here too the trend goes after organizational solutions throughout. Such inclusive and complex organization and management are necessary so that the by no means mean preperformance can be transformed into economic and social effectiveness.

Quantitatively but above all also qualitatively the combines' in-house rationalization means construction has been expanded to the point where it became an essential material-technical base for the broad application of the modern key technologies. It forms an important basis for the combines' intensive expanded reproduction, which in this sector invest their own potential.

Precisely through increasing achievements in rationalization means construction the productivity is expected to be boosted significantly and labor is expected to become available for other sectors. It is therefore all the more important to use key technologies in rationalization means construction itself. The development and fabrication of special machinery, industrial robots, specific high-accuracy means of rationalization, which are not found in any stock catalogue, and the production of microelectronic components and controls and of software in important applicants' combines are impossible any other way and illustrate the qualitative change that has already taken place in this sector. The accomplishments of in-house means of rationalization construction thus are obtaining an ever increasing weight in the combines' overall reproduction process. Preparing target quotas for this sector and allocating the needed material, financial, and personnel capacities therefore play a great role in the prescient efforts of the combines as a whole, for implementing the planning tasks within a year and, not last, for being able to cope with technological conversions while production stays on the line. That also raises questions such as that of setting up centralized capacities in the combine and securing capacities for enterprise-specific concerns.

Even at the time that the combines were formed our party focused on having ancillary supplies that are decisive for the quality of their end products and are specific in character developed in the combines themselves. Such function and quality-controlling ancillary supplies significantly control the ability of the final producers to upgrade their assortments fast. By structuring that way important relations between supplies and final products within their own reproduction process, the combines can facilitate the more complex economic interlinks. The Textima Combine, e.g., met this demand. It set up R&D and production capacities for microelectronic components and controls and the relevant software. This precisely turned out to be an important factor--and not only in that one combine--for greatly cutting back the time frames from the research to the marketing of new products and technologies. Setting up such in-house supply capacities is primarily a matter of uniform management for the scientific-technical management and the fabrication of specific ancillary supplies for the end product. It greatly helps rapidly producing and realizing problem solutions that are oriented to the process of application. In a nutshell, what matters is to increase efficiency through the in-house fabrication of specific ancillary supplies in that production continuity is strengthened and a high capability is achieved for reacting to user demands.

A task for all combines is the production of consumer goods. That also holds true for the combines that mainly produce means of production. If especially for them a high upgrading rate for consumer goods is envisaged, it is because of their large and not yet fully exploited possibilities to contribute still much more to improving the standard of living and to induce the working people to improve their dedication and to impose the performance principle through attractive merchandise offers. Imperative for it is of course that the consumer goods fabricated in the combines that make the means of production also are up to demands, are high grade in quality, are sufficient in volume, and cost as little as possible.

The efficacy of socialist industrial and combine management ultimately is gaged by the efforts through which results are achieved. Cost reduction has become a primary factor for judging the economic performance of combines and enterprises. From that we derive fundamental implications for material processes. That includes the effective mobilization of allocation returns and those of energy volumes saved, mainly those that result from qualitatively improved industrial management and from scientific-technical solutions.

Management, Planning and Effective Accounting

All these processes in deepening the extensive expanded reproduction of the combines and their management have been and are most intimately related to steadily improving management, planning, and effective accounting. The one could not be done without the other. As our economic results demonstrate, the management, planning, and effective accounting system aimed at comprehensive intensification as the resources-saving type of reproduction proves efficient, dynamic, and flexible. It effectively supports the working people's efforts and initiatives in bolstering socialism on the main battleground--the united economic and social policies. This system produces not only quantitative advances, it also boosts the output of better qualities with costs reduced and proper as to demands. What will matter henceforth is that management, planning, and effective accounting increasingly help further develop the productive forces and speed up the rate of the broad introduction of key technologies. (Footnote 3) (Cf. Guenter Mittag, "Management, Planning and Effective Accounting in the GDR National Economy," in the present issue)

We let ourselves be guided here, irrevocably, by the principle of democratic centralism, through which central state management and planning are ever more effectively linked with the creative initiatives of the working people in the enterprises and territories under the broad spread of socialist democracy. What matters always is that the fundamental economic processes of socialist society are firmly held on to by the state and the initiatives, the vivid creativity of the people, which is and remains the chief productive force, are developed as the most important source for the strength of socialism at a massive scale.

Central state management and planning aim their efforts everywhere at a common goal for the fulfilment of which the plan provides the yardstick. Due to its importance for making overall state interests prevail the authority of the plan and its being in balance continue to grow on all management echelons and in all economic sectors. So it is all the more important to exploit all the new opportunities arising through modern computer techniques and to use balancing as the main method of socialist planning more consistently still for flexibly and effectively enforcing the economic requirements--as it would conform to the tasks assigned by the 11th party congress.

New steps in terms of the direction outlined by the 11th party congress for the further perfecting of management, planning and effective accounting are taken through the measures for more effectively organizing the in-house production of means by the combines, through which their responsibility for producing and using the means for modernization and reconstruction are significantly heightened. They follow the realization that steadily ensuring

the conformity between economic requirements and the economic interests of the combines and enterprises functions as a propelling thrust of socialism and that the management, planning, and effective accounting system must conform to it fully. It was wholly in this sense that the complex performance rating of the combines and enterprises--based on the chief parameters of net production, net profit, goods and services for the population, and export--and its conformity with effective accounting on the basis of the plan everywhere focused management activity on using available material and financial funds thriftily and highly efficiently and making material and financial planning prevail as one unit. They promote and induce a rapid and highly efficient utilization of top science and technology achievements and a purposeful reduction of costs.

In the further consolidation of the combines it essentially comes down to carrying on the socialization of labor according to plan. Together with the perfecting of management, planning, and effective accounting, the socialist production relations hence are further developed so that they become still more effective as an active factor in productive forces development.

The revolutionary processes taking place in our economy due to the deep and broad employment of the key technologies, which are making fundamentally new demands on the management and organization of the reproduction process in the combines, also are a great challenge to all working people's creative initiative. On their commitment, their knowledge and their abilities depends how top science and technology achievements show up; how these results are transferred to production yielding high economic benefits, and how they are finally becoming effective for society and every individual. That then shows that coping with these tasks is in the working people's very own interest. Socialist competition, the comprehensive plan debate, the broad application of tried and tested methods of socialist industrial management, and the conducting of complex performance comparisons offer extensive possibilities for taking part in the implementation of these interests. To keep cultivating these forms of participation by all working people, while expanding especially the testing ground for youth and introducing all necessary educational and advanced training measures, in short, to do everything so that each working person will live up to his responsibility to the successful continuation of our united economic and social policies right on the job he holds--that is a fundamental task for the continued consolidation of our socialist planned economy for the good of our people.

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EFFECTS OF COMPUTER PROGRAMS ON INDUSTRY DISCUSSED

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[Article by Prof Dr Eberhard Prager, director of the Institute for the Political Economy of Socialism at the SED Central Committee's Academy of Social Sciences: "Software and Changes in the Nature of Work"]

[Text] The new quality of the tasks set down in the SED's economic strategy with an eye to the year 2000 consists mainly of that all measures for coping with the scientific-technical revolution--especially with the key technologies--are aimed at permanently ensuring economic growth through intensive expanded reproduction and making the cycle of it most efficient in all its phases. That precisely makes possible the purposeful continuation of the united economic and social policies for the good of the people, and it ensures that the GDR maintains its front seat among the leading industrial countries and remains economically unassailable. Top achievements in science, technology, and production, solutions for partly entirely novel scientific-technical tasks, have become indispensable.

Among these new tasks, highly pertinent and pointing to the far distant future, connecting the present and the future with each other, as it were, is the production of software. "Great efforts are needed to organize software production for the manufacturers of the modern computers as well as their users." (Footnote 1) (Comrade Erich Honecker, "SED Central Committee Report to the 11th SED Congress," Dietz publishing house, Berlin, 1986, p 30) The development of software production already demands all our attention so that it be done rationally, demands are met, and the effective use of software is marked by the advantages of socialism. The rational production and use of software also requires clear ideas about how the socialist production relations have to be further perfected for still more effectively promoting the growing dynamics of the productive forces.

A New Step in Productive Forces Development

Our party assumes that the productive forces are the foundation for all social development. That is why it pays special attention to its dynamics. At the head of the economic strategy there logically stands the task to connect the advantages of socialism more effectively still with the scientific-technical

revolution, which has entered a new phase itself and largely determines the productive forces' rate of progress today. What role does the software have to play in it?

First: Through an economically efficient introduction of the key technologies to all sectors of the economy we seek to push back and partly replace energy and material-intensive and labor-intensive classical technologies with the aim of making our socialist economy far more efficient. The material-technical base of production is reaching a qualitatively higher plateau. Software is inseparable from the key technologies, once they are coupled with data processing techniques based on microelectronics. The data processing techniques constitute a unity of hardware (the tools) and software (the programs). No robot, no NC machine, no production system moves, and no computer-aided job can function, without software.

Second: In a twofold sense a qualitatively new step of productive forces development is seen in that, on the one hand, it is a matter of achieving gradually a new quality, a much higher capability of all material-technical elements of the productive forces through the key technologies. On the other hand, however, this new quality of the material-technical elements is possible only if man raises science and technology and their economic efficacy onto a higher plane. That includes that he will enforce this new quality of the material-technical elements of the productive forces by transferring further functions, mainly functions of his intellectual work, to technology, through a progressive mechanization and automation of the processes. Carrying over like this functions of intellectual work to technology is what is essential in the new step in the current productive forces development. That ultimately becomes effective through the software. Once this transfer process is set in motion, it has the implacable consequence that the labor and production on this high scientific-technical level must be coped with time and again and constantly be driven higher yet. Man and his capacity are challenged time and time again.

Third: The experience we have had with these factors that are hastening the scientific-technical progress confirms: Coping with them--especially the demands that are arising from them and are placed on the personality development of the working people--emphatically shows that even in the computer-aided production age man is and remains the chief productive force. On his creativeness, on his initiative in raising and answering new questions, scientific-technical progress and, in our socialist state, economic and social progress also depend in the interest and in behalf of the people. A rational software production and the most efficient use of the software under our socialist production relations precisely call for many such creative initiatives. With the high educational level of the working people, the various educational and advanced training opportunities, and our party's clear conceptions, we have fine prerequisites available however to cope with this qualitatively new step in productive forces development.

The 11th SED Congress directive on the 5-year plan for the development of the GDR economy, 1986-1990, issues interesting tasks for introducing the key technologies that are challenging to the working people's creativeness. Here we

shall especially emphasize the computer-aided project planning, design, and production preparation and implementation--i.e. the CAD/CAM technologies. (Footnote 2) (Cf. "The Topic: Key Technologies," EINHEIT, No 7, 1986 pp 591 ff.)

By 1990 there will be between 85,000 and 90,000 CAD/CAM stations in operation for designers, project planners, technologists, shapers and other engineers and many production workers. The computer technology available will be drawn into these job changes. Newly produced and used for the ongoing automation and technification of many processes furthermore will be between 160,000 and 170,000 office and personal computers, between 1,900 and 1,950 small data processing installations, and between 660 and 670 ADP installations. For more than a half million working people working conditions will thereby change fundamentally till 1990. By no means is it only a matter of putting up some computers in production preparation, but what one intends is to solve better qualitatively by means of computers by 1990 the overwhelming part and, in production preparation, a considerable portion of the work needed for the control and implementation of production, and to realize the economic effects that become possible thereby. In this regard also it is a matter of top achievements for which versatile software products are needed.

Software becomes effective on computer-aided jobs

- in research, design, project planning and all the production preparation;
- to run automated production processes and for quality control;
- to record, direct, and account for circulation processes including storage, transportation, and communication;
- to optimize the processes in basic assets reproduction including the joint functioning of expansion and modernization measures for the available basic assets and the rational organization of investment processes;
- for a deeper grasp of interlinking relations in planning, balancing, and settling cooperation achievements and, thus, for faster reaction to changes in supplies and demands in various commodity groups; and
- in the various types of services.

In all these and other jobs not only the processes become more efficient, but rather, through the use of ADP, the working conditions change.

These changes in many working people's working conditions are marked by that ADP gets linked with any given process technology and these processes get further mechanized and automated. The hardware-software unity is seen in that a working person starts the equipment and, through the programs, bestows a specific direction on it. That simply is what is new about this technology and distinguishes it uniquely.

In many ways the working people come in contact with the software, have to work with it or have to produce or improve it. On the quality and quantity of the available programs depends to a large extent which economic effects the new working conditions entail and how comfortable man is under these working conditions.

The role software plays with respect to the new step in productive forces development becomes still clearer when one considers the consequences resulting from the use of information processing technology with its concomitant transfer of functions of mental work to technology.

Transfer of Functions of Mental Work to Technology

In the transfer of functions of human labor to technology Lenin found the caesuras, the fundamental advances of technical development. With every newly transferred function of human labor another qualitatively new step of this technical development is reached. Lenin described technical progress, in essence, as "the replacement of manual labor by machine labor" and then continues to write: "The more technology develops, the more man's manual labor is displaced and is replaced by a number of more and more complicated machines." (Footnote 3) (V. I. Lenin, "Concerning the So-called Question of the Markets," "Werke" [Works], Vol I, Dietz publishing house, Berlin, 1961, pp 96-97)

Since Lenin made that remark, technical progress has taken a far-reaching upswing. Yet it no longer involves merely a substitution for manual work by technical processes. The technical solutions for already transferred functions of human labor have constantly been "cheapened." Production and labor efficiency kept improving in this process. This ongoing development is being enriched at present by qualitatively new processes which are realized above all, precisely, in the transfer of functions of mental work and--in connection with the computer-aided technologies in production preparation--also already of elements in intellectual-creative work to technology.

These extraordinarily diversified and constantly broadening operational variants in information processing technology and their connection with control, regulatory, and information techniques and with the machinery that became possible because of microelectronics and more and more allows man to transfer functions of his mental work to technology right on the job undoubtedly signify a qualitatively new step. From this vantage point then information processing technology based on microelectronics and its being used for the automation and technization of various processes becomes of fundamental importance for the further development of the productive forces in the current new phase of the scientific-technical revolution.

Information processing technology opens up new fields to automation that previously had been barred for technical or economic reasons. What is novel in this information processing technology, however, is that it functions only in the unity of hardware with software. Each of these two components, conditioning each other, has to fulfil a distinct function so that information processing technology can become effective in the automation of processes.

The hardware embraces the technical equipment that is part of an ADP installation, mainly the central processing unit, storage units, input and output channels and the peripheral equipment such as the the input and output devices, the service unit, printer, punchcard equipment, screens, signal transmitters, storage equipment, data transfer facilities, and data terminals. This equipment serves the collection, processing, storage, transfer and output of data and information.

Software, on the one side, programs the working sequence of the equipment in support of its operation and, on the other, brings about the actual application solution, provides, in other words, for using the equipment in quite a specific target direction. By instructing the hardware to bring about an application solution, the software becomes the proper medium that transfers functions of men's mental work to technology. In that respect then the software also becomes a technology, an instruction for how to work out or resolve processes. On the one side, software programs the working sequence of the equipment--and hence also the functioning together of the various components of a technology involved without any direct human intervention. On the other side, through the software quite definite operations are carried out with regard to the object of labor. So here too it issues the technological prescription for carrying out quite definite steps of processing in fashioning a labor object, to solve a specific user's task. Through the hardware and the relevant process technology, it affects the labor object as a labor tool. This way also new scientific data of various science disciplines are being used in the fashioning of the processes and thereby transferred into production. Software is a new form of technology implementation. In this function of it lies a new source for productive forces development and for far-reaching changes in the character of labor.

Software Materializes Insight Data and Human Volition

In the production of software, man intellectually anticipates the processes to be automated and technified. The process to be materialized is intellectually being preconceived through the requirement for the problem to be solved, through logically dividing the process connected with the problem solving into its components and steps in their causative and temporal interdependence and by grasping all the conditions and the influences that affect the given process, with consideration given to any possible variants.

For Marx, as one knows, intellectually anticipating results characterized all human work in contrast to the operations of other living beings: "What however distinguishes the poorest master builder from the best bee from the outset," he wrote, "is that he has built the cell in his mind before he builds it in wax." (Footnote 4) ("Das Kapital," Vol I, "Works" Vol 23, Dietz publishing house, Berlin, 1962, p 193) In the case of software, this mental anticipation even occurs in a dual sense. For one thing, as any other product it is the material outcome of preconception. On the other hand, however, that is only possible if the process to be fashioned and controlled through the application of software is itself mentally anticipated and intellectually preconceived when the program is being prepared. Only as that sort of specific product can software assume the function of man's mental work directly affecting the process and is it materialized knowledge about the process. In the materialization of human knowledge there is still another aspect of the mental anticipation of the to be controlled processes that comes under consideration. That refers to answering the question of how one can, in preparing the algorithm, i.e. the logical sequence of the process, grasp and apply the natural science, technological, and economic inevitabilities in conformity with the up-to-date status of any given science discipline. That greatly affects the program quality while it decides how effective the subsequent work processes and the programs under changing conditions will be. On the caution and quality of anticipation in

working out the algorithm thus largely depends the quality of software. The computer's greater working velocity, compared with man's, with which the various data and information, variants and combinations are processed reinforces and intensifies of course the effect mental work has on any given processes. Yet one thing does not change: In the production of software--regardless of the form in which it might become available in the future--man performs mental work, anticipates future processes, and puts his mental work under "conservation" that makes possible at any time to intervene directly in any given processes. That precisely also differentiates software from any other thus far known products of intellectual-creative work that it exists in a material condition through the program form in data carriers in which it can then also become directly applicable to production and labor.

Through this product of intellectual-creative work man changes his working conditions in two different ways. For one thing, through the processing and the automation controls of the processes, man changes the working conditions for operating the new technical systems, e.g. the flexible automation installations. The software assumes and implements the functions of men's mental work which he thus far had to handle himself to operate the technology and carry out intended operations. And then too, with the production of software entirely new labor tasks and conditions have arisen for the working people. Software transfers human knowledge while it also makes new demands on the knowledge, skill, and abilities of man.

This tasks of software, of assuming man's knowledge and will and of carrying them into action through the implementation of the processes, is the source for fundamental changes in the substance of the labor tasks to be carried out. While with regard to intellectual demands unequal tendencies certainly are taking effect on various jobs, the following trends are yet becoming most prominent:

1. Man's exercise of functions of physical and mental work in the production process or other labor processes in affecting any object of labor is replaced by technical systems, run by software to carry out intended operations which man had programmed into it.
2. Man anticipates the processes to be carried out for the various operations. In a process of primarily mental work he produces software that absorbs his knowledge and will to carry out relevant instructions, transfers them to the hardware, and thus makes them production and labor-effective. These production processes of software precede the given labor processes in time. The producer is expected to possess entirely new knowledge about process analyses and the possibilities and conditions for applying computer techniques, but also very precise ideas about the specific labor tasks that are to be dealt with. It is a fallacy to assume that technical specialized knowledge about any given processes loses in importance because of the application of information processing technology. On the contrary, such knowledge continues to be crucial for the efficiency and quality of solutions. Processes have to be thought through in advance, when the programs are being worked out, as mistakes can be ominous and program revisions, very expensive. Sound knowledge about the processes and their programming is thus necessary.

3. Through the automation or technization of the traditional production or labor processes the content of the labor tasks in the implementation of the processes changes. That includes the data input, the starting up of the process, the supervision of the process runs and their results and, possibly, also the stopping of the processes and the supervision of the installations. One expects of the producer, apart from his knowing all about the equipment and the process, that he has, above all, new knowledge and skills to run input and output devices and the program. What plays a big role for expertise in dealing with the programs is that they are user-friendly, that the users are led through programs by means of explanatory remarks.

4. By shifting ahead a part of human labor to dealing with processes in software fabrication, man becomes a conductor, a regulator of the process at a higher level. That makes far greater demands on his mental potentials.

5. Through such forward shift the demands made on the mental potential grow not merely quantitatively, but they also grow in terms of the producers' variety of creative capabilities. That becomes most apparent in the computer-aided technologies in production preparation (CAD). Creative abilities are needed for structuring the processes of production preparation under the new conditions, for the production of software, and for the organization, construction and cross-links of databanks and the selection of the information to be stored and the documentation to be prepared. In part completely new creative abilities are demanded of designers and project planners. It is important to implement the new solutions as much as possible through the elements and part constructions already in storage to keep down expenditures while ensuring top qualities.

With the introduction of data processing technology, hence, not fewer but more and new creative capabilities are wanted. Non-Marxist notions in connection with the introduction and further development of information processing technology speak of its becoming autonomous vis-a-vis man, even of man's impotence vis-a-vis the computers. While information processing technology advances, however, it becomes increasingly clear that it can only solve tasks that man has put into it beforehand through software. Even if the next generation of computers not merely processes information but relies on stored knowledge and can scan and combine such knowledge at lightning-speed and thereby find answers which man in so brief a time and because of the limitations of his combination capability cannot find that fast, the foundation of such answers will still be found in man's software leads.

Further Development of the Socialist Production Relations

The advantages of socialism and, with it, its social superiority over the capitalist order in coping with the scientific-technical revolution mainly lie in that socialism can transform scientific-technical and economic progress into social progress on behalf of the working people and further develop, according to plan, the production relations in line with the requirements for the further productive forces development. Such requirements emanate from the new working tool, the software. Adapting to such requirements has started everywhere in our economy.

First: Many economic sectors and combines have begun introducing information processing technology broadly and organizing software production and use in a broad scope. A new field has evolved for the cooperation between science and production. As to many these are steps into virgin territory yet others have had many years of experiences, a targeted experience exchange is of an importance of principle so as to make these processes highly efficient everywhere from the start. Organized and conducted by our party, such broad experience exchange is now going on, mainly on the CAD/CAM technologies.

The mutual aid, the socialist cooperative efforts among the various combines in using and spreading the best experiences, is one of the most important advantages of our society, which one must consistently use everywhere on behalf of rapid progress in coping with the tasks assigned in the SED's economic strategy with a view to the year 2000. Especially for such qualitatively new tasks as a rational production of software the mutual assistance among combines in our society has an economic potential of its own.

Second: Expertise on all production levels and on the various levels of the educational and advanced training process for a broad employment of the key technologies is among the first and foremost tasks. New demands are made on the working people's educational level and their readiness and willingness to perform, and also on their motivation and mobilization. In particular, cadre advanced training for coping with the key technologies, including software manufacture, ought to be combined with concrete tasks in production preparation and software manufacture. This is not just a matter of new knowledge, it also pertains to new capabilities in actively controlling the new processes, tasks, and devices. What the combines themselves can do through qualification and continuing education processes will also increase in this context.

Third: The attitude toward work, the struggle for coping with the new productive forces and for the rational fabrication and utilization of software, becomes a crucial factor for deriving high economic benefits. And then also, software fabrication--just like the application of all key technologies--calls for high technical accuracy and discipline. Any deviation from the requisite conditions leads to great economic losses. The accuracy of labor, including the observing of technical discipline, has assumed a heavy economic potency. Deliberately adapting to these novel requirements by all involved in research and production is still another side of the further spread of the socialist production relations.

Fourth: The use of information processing technology and the software needed for it require, as no technology ever before, that the organization of production and the planning and coordination of the processes are well thought out and tailor-made. "What concerns us is not simply to graft CAD/CAM technology on the extant structures and working methods in the combines and enterprises, but to use it as a catalyst to achieve a fundamental change in the whole working methods of the combines and enterprises and a fundamental speed-up of the processes of intensive expanded reproduction in its decisive phases." (Footnote 5) (Guenter Mittag, "Mit qualitativ neuen Schritten zu hoechsten Leistungen" [With Qualitatively New Steps Toward Optimum Achievements], Dietz publishing house, Berlin, 1986, p 44)

Fifth: Through the needed formation of their own software production capacities in all combines and other economic facilities in our socialist state a change is made in the structure of the social total worker and in the distribution of public wealth. What matters here is not simply the creating of potentials, but also that the property of the software, to be of multiple use and applicable to various similar processes, is carefully paid attention to even in the production phase. Depending on the type of software production and the tasks to be solved by it, a sensible concentration of potentials, an effective division of labor production, and effective cooperative relations among the potentials become necessary. Software production concentration in terms of expertise is of great benefit to us. Software is produced where the proper expertise-oriented knowledge about the hardware (system-oriented software) or about the tasks to be solved and the processes to be run exists. That way the public property in question is most efficiently used. With the order on information and advisory services for the development, production, and multiple use of software in the GDR, an important step was taken in that direction. (Footnote 6) (Cf. Gesetzblatt der DDR [GDR Legal Gazette] Part I No 9, 1986, pp 94 ff)

Sixth: Software fabrication is a production process novel in quality and must also be treated as such managerially. For that reason a number of tasks for further perfecting management, planning, and effective accounting in this sector have been tackled or are now being scientifically debated:

--Software is a product and is treated as such in planning and accounting either as commodity production or as in-house performance within the scope of rationalization means construction.

--When used in production, software is a labor tool and is to be included, in accordance with its special properties, in the capital assets economy.

--In setting prices for software, produced domestically as a commodity, according to plan, the multiple use of a software product that is foreseeable according to plan has to be taken into account.

--Through organizing division of labor fabrication and inducing multiple use a vast improvement in the cost/benefit ratio of software fabrication in the economy is attainable. As the need for software keeps growing fast, that is also of great economic importance long-range.

Productive forces development is going to lead to progressively raising the qualitative and quantitative requirements for software fabrication. The further production and labor socialization in this field must be fashioned according to plan in such a way that high efficiency in the production and use is ensured through high-grade software products, including a far-reaching shaping of multivalence as a quality-controlling software property. Efficient software manufacture is increasingly becoming a source for higher production efficiency in all combines, enterprises, and institutions.

5885

CSO: 2300/58

EFFECTS OF CREDIT SANCTIONS VIEWED

Warsaw ZYCIE GOSPODARCZE in Polish No 40, 5 Oct 86 p 2

[Article by E.M.: "The Cost of the Credit Blockade"]

[Text] The policy of economic sanctions imposed on Poland by Western countries has caused our country great harm whose extent is estimated at approximately \$15 billion. Naturally, it [sanctions policy] has had its effect on the level of economic cooperation with the West forcing us, above all, to drastically limit our imports. In 1985, the volume of free foreign-exchange imports was still 43.8 percent lower than in 1979 despite considerable growth during the last 3 years. During that same time, Poland's free foreign exchange exports exceeded the 1979 level by 1.5 percent.

Since 1982, the free foreign exchange trade has been closing each year with a credit balance [saldo dodatnie]. This indicates a radical change in the situation during the entire previous decade when we were importing much more than we were exporting. In part this change results from an increased export effort, particularly between 1982 and 1984. However, for the most part it [the change] was compensated for by a sudden curtailing of imports. It follows from data contained in the report on our debts that between 1982 and 1985, Poland paid off its Western creditors \$7.8 billion in installments and interest within the framework of attending to the debts. In view of our crisis situation, this constituted a very serious effort for our economy. What is paradoxical about this is that this took place under conditions of economic restrictions imposed by the creditor countries.

On the level of trade with Western countries, the most severely felt by Poland was its complete cut-off from access to Western credit markets including trade credits which are an inherent factor in international trade. After all, the import of certain goods is, as a rule, conducted on the basis of credit. As a result, Polish imports from the West for the most part had to be paid in cash. As reported by Antoni Sala in the 2d issue of HANDEL ZAGRANICZNY, "in 1985, 65 percent of the entire free foreign exchange import was paid in cash as compared to 36 percent in 1979. Barely 5 percent was implemented for long and short-term credit by comparison with 63 percent in 1979." At the same time, the payment in cash meant payment "in advance" since even the smallest purchase required that a line of credit be opened first in one of the Western banks which required that the entire amount due be remitted before the implementation

of the delivery. This manner of conducting trade hinders the carrying out of a rational import policy and raises the cost of imports, prolongs the time of completing even the smallest transaction, and creates a disturbance in supply deliveries and in the rhythm of production. This has an unfavorable influence on, among other things, Polish exports to the West and the possibilities of servicing the indebtedness.

The credit blockade of Poland was not totally airtight. In signing the agreement concerning the deferment of the repayment of credit granted during the 1970's, private banks consented to grant Poland certain small credits for the financing of indispensable supply purchases, although as a rule, these were short-term credits (up to 6 months). The credit potential obtained after the signing in 1985 of an agreement regarding the deferment of the repayment of the principal part of the debt guaranteed by governments was small. Some Western European countries, such as, Austria, the FRG, Great Britain, and Italy agreed afterwards to grant guarantees making it possible to take advantage of the new trade credits that were still very limited. Only the United States continues to remain consistent in its enforcement of the credit blockade and of other "sanctions."

The United States was the first country to impose the most severe sanctions against Poland after the introduction of martial law and exerted strong pressure on its NATO allies to do the same. At first, our country was deprived of the possibility of taking advantage of the CCC (Commodity Credit Corp.) credit already promised for the 1981/1982 fiscal year in the amount of \$740 million.. (It was supposed to be used for the most part for the financing of the purchase of American corn and grinding grain [sruta]. In turn, the American government issued a ban on granting guarantees to the Import-Export Bank which was tantamount to the cutting off of the possibility of any credit purchases whatsoever in the USA. A heavy blow to our exports to the American market was the revocation of Poland's most-favored-nation status. This revocation is creating trade losses in the amount of \$70-80 million annually. Other restrictive measures concerning fishing, air transportation and scientific exchanges accompanied this. Finally, it is no secret that the United States blocked for a long time the restatement of Poland into the International Monetary Fund [IMF].

While with time resigning from some of the restrictions aimed at our country's interests (the resumption of airline service with New York, readiness to negotiate with regard to fishing rights in American coastal waters, the retraction of the veto against Poland's membership in the IMF), the administration of President Reagan continues to uphold the most severe sanctions. This is happening despite increasingly boldly raised doubts also within the United States itself regarding the expediency of such a policy. It [the policy] has not had any effect on the domestic policy of the Polish Government but has caused harm not only to Poland but has also damaged Polish-American relations. A group of congressmen from both American parties have recently recognized the necessity of normalizing these relations and have decided to act on this. The basis for their action is a positive assessment of both the decision of the authorities to release noncriminal prisoners and the general improvement of

the internal situation in Poland. The congressmen feel that the continuation of the sanctions harmful to the Polish economy only confirms the convictions of the Polish public about the indifferent attitude of President Reagan's government toward the Polish nation. They continue to debate in this way indirectly with the president's theory that "sanctions" allegedly harm only the PRL government and not the people. In any case, the president himself added an ironic comment to this propaganda theory by vetoing in the last few days sanctions approved by the congress against the South African Republic. He justifies this by claiming that the sanctions would not harm the South African Republic but only the black African population that is repressed by it.

9853/12795

CSO: 2600/59

MICROCOMPUTERS AVAILABLE THROUGH BRITISH FIRM

Warsaw VETO in Polish No 39, 28 Sep 86 p 10

[Article by Jerzy Zawadzki: "Computer Prices"]

[Excerpts] Polanglia, managed by the Pole Andrzej Lukomski who resides permanently in London, is perhaps the best known firm that ships microcomputers to Poland. At first the firm encountered difficulties because COCOM refused it permits to export the Amstrad CPC 464 computer to the socialist countries. Finally, in the fall of 1985 the situation changed enough that it could export 2,000 computers in the course of a few months, and all signs indicate that this number will grow quickly. Not only are some private individuals buying computers, but some Polish foreign trade main offices are also.

The firm is promoting the model CPC 6128, which was recognized as the computer of the year in Great Britain in 1985. It has been popular in Poland now for several months, primarily because of the attractive price and reliability. Last year the estimated percent of returns of faulty computers to stores in Great Britain was for the Sinclair, 23 percent, for the Commodore, 10 percent, for the Amstrad, 1 percent.

After gathering a large number of orders, Polanglia packs the computers in a container and approximately one month after receiving payment ships them to Poland through the International Freight Forwarders Hartwig. The shipments can then be picked up at the airport in Warsaw.

The firm will also deliver equipment to other Polish cities, for which it charges 20 pounds.

Postwarranty service, payable in zloty, is currently handled only by Multimex in Warsaw (tel. 47-22-57). Polanglia is considering opening locations in other cities in Poland. The computers sold by Polanglia carry a 12 month warranty, and free warranty service is available. The firm is also obligated to cover the costs of spare parts (only labor costs must be paid). Programs may also be special ordered. In the case of evident problems resulting from faulty production, Amstrads will be exchanged without any problems, as the advertising flyer for this company proclaims. Unfortunately, the service shops will not sell computer kits or assembled computers for zloty.

Computer PCW 8256 256K with monochrome monitor and printer	400 pounds
Computer CPC 6128C 128K with color monitor	350 pounds
Computer CPC 6128G 128K with green monitor	270 pounds
Computer 464G 64K with green monitor	200 pounds
Soft 1000 diskettes 3 (10 to a box)	35 pounds
DDI-1 disk drive with interface I CP/M (for 464)	160 pounds
FD-1 external disk drive (for 6128)	100 pounds
SSA-1 speech synthesizer	30 pounds
RS232C interface (for 6128)	50 pounds
LP-1 light pen (for 6128)	20 pounds
JY joystick	15 pounds
MP-2 TV modulator (for CPC 6128)	30 pounds
DMP-2000 dot matrix printer	160 pounds
13021/9835	
CSO: 2600/43	

REFORM COMMISSION TASK FORCES AGENDA FOR 1986 SUMMARIZED

Warsaw RZECZPOSPOLITA (REFORMA GOSPODARCZA supplement) in Polish No 85,
18 Sep 86 pp 1, 4

[Article by Andrzej Martyniak, vice-chairman of the Regulatory Systems and Planning Methodology Task Force of the Council of Ministers Planning Commission: "Balancing the Economy"]

[Text] On 2 August of this year, a meeting was held of the Economic Reform Commission Secretariat, and on 6 September a coordinating meeting took place between the commission secretary and the chairmen of the task forces. A work schedule for the task forces until the end of 1986 was examined and adopted for implementation at the meetings.

The 10th PZPR Congress has declared itself in favor of the decisive continuation and the further improvement of the functioning of the economic reform mechanisms. It was emphasized in the congress resolution that as changes occur in the economy so should its mechanisms and instruments be improved along with the stabilization of the fundamental principles of the reform. It was stressed emphatically that the Economic Reform Commission has an important role to play in this process.

The congress approved the main directions of development that are contained in the NPSG [National Socioeconomic Plan] for 1986-1990. It also took a favorable stand with regard to the general trend of changes outlined in the remaining government documents; i.e., with regard to the draft plan of the economic instrumentation for the current 5-year period and also the directional proposals formulated in the "Report on the Progress and Results of Implementing the Economic Reform between 1981 and 1985."

It was stated in the resolution that the current, qualitatively new phase of reforming our economy requires the decisive ushering in of pro-efficiency solutions and passing on to the second phase of the reform. The fundamental goals of the second phase of the economic reform were formulated in a very aggregate manner naming the following as the principal goals of this phase: "...accelerated balancing of the economy, placing price relations in order, limiting subsidies, consistently observing the principle of enterprise self-financing, and strengthening the system of economizing and work discipline."

The above mentioned directions of work have been until now and continue to be the center of interest of the Economic Reform Commission. Both internal and the external determining factors caused the process of the coming out of the crisis and stabilization of the economy to stumble upon a series of obstacles. Therefore, the scale of the actual implementation of all the above mentioned goals and undertakings is differentiated. Until now, the Economic Reform Commission has been in favor of the accelerated ushering in of economic mechanisms and a quicker attainment of equilibrium. It presented its stand in the third part of the "Report..." that contains directional proposals (theses) until 1990, stating that a series of the proposed solutions are socially difficult and require considerable improvement in the area of the management of the economy by the authorities and state administration agencies.

Some resolutions of the 10th Congress require the implementation of additional tasks during the current 5-year period. The congress had included the following in the group of the most necessary work: the carrying out of a review of the functioning of organizational structures in the economy and in the nation for the purpose of modernizing and improving management, improving the level and the structure of employment, and curtailing bureaucratic phenomena.

The key task for the Economic Reform Commission in the process of reviewing and improving the system of management will be adapting the organizational structures to the requirements presented by the economic reform and in particular, supporting its pro-efficiency solutions.

Until the end of the current year, the subject of the work of the particular commission task teams will focus on some of the problems related to the implementation of the second phase of the economic reform (e.g., the preparation of guideline proposals and theses for the Party-Government Commission appointed for the review of organizational structures in the nation and in the economy. An important instrument that will support the review will be the certification of work posts. The assumption of the present topic envisages that a part of the task forces of the Economic Reform Commission will present their own developments to the commission secretariat in the area of these matters, for example, in the form of guidelines and criteria for conducting certification at the enterprise level.

A second trend of interest for the Economic Reform Commission task forces will be selected tasks formulated in the directional proposals of the second part of the "Report on the Progress and Results of Implementing the Economic Reform between 1981 and 1985."

In the work topics of the Economic Reform Commission teams until the end of 1986, particular emphasis has been placed on finalizing the tasks that have been continued until now. At the same time and on the basis of the decisions of the 10th Congress and directional proposals, the preparation of several kinds of work having the form of opinions, proposals or positions in the most sensitive areas in the current phase of the functioning of the economy under conditions of the economic reform, was initiated.

The most crucial problems around which the work of the problem task forces has concentrated during the second and third quarter of this year will be analyzed until the end of the current year at plenary sessions of the Economic Reform Commission.

Therefore, the discussion and evaluation of the following is planned:

1. The proposal of changing some of the laws that usher in the economic reform.
2. The proposal of activity for strengthening the position of the director in state enterprises.
3. Information with regard to the procedure and principles of transforming organizational structures in the national economy.

The below presented subject matter is addressed to 16 task forces of the Economic Reform Commission. Its substantive content is made up of topic proposals submitted by the management of task forces as well as recommendations and suggestions of the Economic Reform Commission Secretariat.

Team 1

The primary tasks in the work program of Team 1 for matters related to the management of the economy by central agencies, will be undertakings implemented in stages on the basis of the conducting of analyses and formulating a position as to the most desirable structure and function of departmental-branch ministries from the point of view of the most preferred solutions within the framework of the economic reform. (The necessity of searching for the optimal solutions pertaining to this issue has been extensively substantiated in directional proposal No 10).

Preparations for the conducting of a general review of organizational structures in the nation and in the economy will remain within the realm of continuing interest for Team 1. Its goals and methods of implementation were presented more thoroughly at the Second Central Committee Plenum. The Economic Reform Commission Secretariat recommends that Team 1 in cooperation with teams 2 and 3, examine the shape of guidelines instrumental in the conducting of the review and in the evaluation of the system of management, and formulate criteria in the matter of adapting organizational structures to the requirements presented by the economic reform. The above directions of activity will be treated as a contribution of the Economic Reform Commission instrumental in formulating the directional proposals and in determining the phases of the work of the Party-Government Commission for the Review of Organizational Structures in the State and in the Economy.

The primary goal of the review of the central and supreme agencies of the state administration ought to be--according to the decisions of the Second Plenum--the completion of the reform of the center [centrum]; i.e., the complete conformation of its functions to the reformed system of the functioning of the economy, and the shaping of the role and organization of ministries as that of executors of government policy in the particular

departments and branches of the national economy. Moreover, Team 1 will begin work on the evaluation of solutions enabling the appointment of supervisory boards for selected state enterprises.

Team 2

The work of Team 2 for matters related to the shaping of organizational structures in the economy will concentrate on the following during the second half of 1986:

--the evaluation of the effectiveness of central control with regard to large enterprises;

--the preparation of proposals of institutional solutions pertaining to the appointment of regional industrial-commerce chambers (directional proposal No 16).

Problems related to the evaluation of the use of the potential of shaping the organizational structures contained in the currently binding rules of the law (directional thesis No 18) will be in the field of constant interest of the team. Within the framework of this problem, Team 2 is obligated to prepare positions on the issue of using associations as an organizational form of consortiums created for the financing and implementation of specific undertakings.

In November of this year, Team 2 will present information at the session of the Reform Commission Secretariat that will reveal the proposal of transforming the organizational structures in the economy. It is planned that the above issue will be directed for plenary deliberations of the Economic Reform Commission.

The idea of a general review of the functioning of the organizational structures in the state and in the economy assumes that such an undertaking--conducted with the extensive use of the method of certification--will constitute support for the economic reform and will be conducive to the overall improvement of the efficient functioning of the state. The Economic Reform Commission Secretariat favors the working out by Team 2 of appropriate guidelines and criteria that would facilitate the review of organizational structures in an interenterprise system.

The optimization of organizational structures in the economy in close association with the technical-economic features of its individual departments as well as the differentiation of so-called nonplant structures on the basis of clear criteria of the economic account and efficiency are considered to be the fundamental criteria of the validity of the undertakings described in the preceding paragraph.

Team 2 will conduct the above described work with the cooperation of teams 1 and 3. However, Team 2 will present up-to-date opinions on the draft plans of legal controls associated with the issue of the organization of the national economy that [draft plans] are being developed in the central elements of economic management.

Team 3

By the end of the current year, the team for matters related to the economic system of enterprises will conduct a survey and present the primary reasons for the low interest of enterprises in the solutions described in the decree of the Council of Ministers on the issue of the principles and procedure of the issuing of securities [obligacje] by enterprises.

It will also prepare in cooperation with team 16, an expertise report on the subject of popularizing the plant systems of emoluments. The above work will have the character of recommendations for enterprises and in this form will be treated as the partial implementation of the thesis formulated in directional proposal No 44.

In cooperation with Team 7, Team 3 will furthermore conduct an evaluation of the main trends that under current conditions influence the shape of cooperative bonds between enterprises.

On the basis of tasks connected to the preparations for the general review of the organizational structures in the economy, the team for matters related to the economic system of enterprises will formulate the guidelines and criteria of certification on the enterprise level and will define and specify the principal methodical indicators for the evaluation of the organizational structures in enterprises. Team 3 will carry out the above tasks while taking advantage of the experience of Teams 1 and 2.

Team 4

The immediate goals of Team 4 for matters related to the Organization and Functioning of the Domestic Market include the following:

--to prepare a final evaluation on the subject of incentive systems in commerce;

--to evaluate the process of the central control of goods together with the conditions and directions of moving away from this form of distribution;

--to assess tourism under conditions of economic reform in cooperation with Teams 12 and 13; and

--to work out a stand concerning functional-capital integration of the main participants of the market and with regard to the state and directions of the development of the eventual forms of organization.

The issues concerning the functional-capital integration of the market participants are contained in one of the more important trends of theoretical thought favoring making the organizational forms in domestic trade and in purchases resilient and differentiated. The need for taking practical steps in this field is extensively substantiated in the entry of directional thesis No 24. The experience of the task team, acquired during the course of preparations in the second quarter of this year of evaluations

of the functioning of enterprises (including, among others, Centrum PP [State Enterprise] Department Stores and business cooperatives) under economic reform conditions, will be very useful in this area.

Team 4 will also prepare proposals for organizational and economic solutions enabling the strengthening of the position of retail and food service centers as primary entities in trade enterprises.

The current functioning of various forms of agencies (service, restaurants, retail) requires detailed analysis. The Economic Reform Commission Secretariat anticipates that Team 4 together with Team 12 will present a set of solutions that will be conducive to halting the unfavorable falling trend in the quantitative state of these points.

Team 5

Team 5 for Investment and Fixed Asset related matters will assume work in the very near future on:

- the evaluation of the functioning of government orders [zamowienie] for investments;
- working out an expertise report on the directions and principles of making investment implementation prices realistic;
- the preparation of an expertise report on the subject of the draft plan of the modification of method bases for the investment effectiveness account;
- analyzing the possibilities of counteracting occurrences of investments under the guise of overhauls (the implementation of this task will be entrusted to a team of experts);
- the problem of the organizational forms conducive to taking on investments related to scientific-technological progress;
- analysis pertaining to the evaluation of the functioning of the economic-financial investment system.

All the above mentioned issues continue to be discussed animatedly. Enterprise management boards as well as planners within the economic center come in contact with them every day. It is generally recognized that for the creation of conditions conducive to a correct economic account and the shaping of prices, it would be worthwhile to introduce a system of constant valuation of the value of fixed assets on the basis of the price increase index for a given year (directional proposal No 40). It is proposed that the principle be introduced permanently as law that the system of security [kaucja] be used as an instrument of influencing the investment activity of economic organizational units (directional proposal No 41).

The outlined main concepts contained in the two directional proposals are convergent with the basic trend of the work of the team slated for the second half of the year. The Economic Reform Commission Secretariat anticipates that by the end of the year, positions and proposals on the above presented issues will find themselves among the accomplishments of the team.

Team 6

Four leading themes are distinguished in the work schedule of the Team for Agriculture and the Food Economy:

- the draft plan of changes in the economic-financial system of state farms;
- the assessment of organizational structures in the food industry (state and cooperative) from the point of view of the degree of monopolization and the possibility of introducing solutions that would optimize the organizational structures of this branch;
- the assessment of the functioning of the system of contracting [between farmers and government] and the purchasing of agricultural products with the concurrent analysis of the eventual benefits and effects in the case of appointing alternate purchasing units (on the basis of the experience of the poultry breeding industry); and
- the evaluation of the situation of enterprises of the food industry under economic reform conditions with particularly thorough analysis of the potential for independent development by these enterprises.

The agricultural issue has been accentuated in the resolution of the 10th PZPR Congress. The congress emphasized that the agricultural industry must become a strong element of the entire economy. The economic mechanisms that assure the profitability of agricultural production should serve the growth of work productivity in all three sectors of agriculture. It was announced that, among other things, conditions would be created including legal rules and regulations that would be conducive to the integration of land property. Therefore, regardless of the fulfillment of the entries in the government schedule of the implementation of the decisions in the resolution of the 10th Congress regarding the issue of agriculture, Team 6 will describe by the end of the current half-year, the phases of their work and the kinds of developments related to the implementation of these decisions.

Team 7

During the second half of the year, Team 7 for Trade Turnover Organization and Materials Management will prepare and evaluate the following issues:

- 1) the organization of supply turnover (enterprises, offices, warehouses, centers, etc.) from the point of view of its place in the organizational

structure of the national economy and also with consideration given to changes and subordination to the Ministry of Materials and Fuel management;

2) the evaluation of the possibility of limiting centrally financed imports to the exclusive needs of guaranteed supplies (government orders and other priority purposes); the subject will be implemented together with Team 8;

3) supply priorities for export production;

4) supplying the craftsmen's industry [rzemioslo] with raw and other materials;

5) consideration and evaluation of the most recent version of the draft plan of the law on managing the means of production.

Team 8

As in the first half of the year, Team 8 for the Functioning of Foreign Trade will concern itself on a broad scale with the issues of the institutional conditions for export growth. The proposals made by the team that are conducive to more dynamic activity in the following areas are acquiring particular significance during the current phase:

--the functioning of joint ventures with foreign capital in foreign trade;

--the functioning of foreign trade enterprises under conditions of economic reform (the team will present its final opinion on this subject in the second half of this year).

Moreover, the team:

--will evaluate the functioning of the account of foreign exchange allowances (ruble and dollar allowances);

--will present the organizational concept of counseling for domestic producers in the area of foreign trade;

--will begin work assessing the methodology of creating prices in CEMA (it will present proposals of improvement in this sphere at a later date);

--will continue work on the status of the producer-exporter.

In cooperation with Team 7, the Team for the Functioning of Foreign Trade will analyze the limiting of the range of centrally financed imports exclusively to supplies of basic raw materials, fuel and food goods and for the needs of the guaranteed supply of government orders (directional proposal No 38). The proposed solution is an indispensable condition for the strengthening of export stimulation by means of the system of foreign exchange allowances.

Team 9

The following issues will dominate until the end of the year (initiated during the second quarter) in the subject matter of the work of the Team for Regional Agencies of Economic Management:

--the specification of opinions on the conditions of building and the development of regional industries along with proposals of new adjustments;

--working out a position assessing the performance of the functions of the parent agency by regional agencies of state administration;

--the evaluation of the tools and methods of the shaping of investment policies by regional state authority and administrative agencies toward all economic organizational units;

--the improvement of the tools and methods of influencing the economic activity of nonsubordinate units (for which ministers are the founding agency) by regional administrative agencies;

--the evaluation of the introduction of the principle of territorial self-government on the basis of the economic functions of administration on a provincial and primary level;

--the examination of proposals resulting from the assessment of the ushering in of the law on national councils:

a) within the sphere of managing the economy, and

b) within the sphere of strengthening the financial independence of national councils.

Furthermore, the team will initially review the problems involved in the functioning of the instruments of managing environmental protection and also in cooperation with Team 2, it will present the concept of the functioning of regional industrial-commerce chambers (directional thesis No 16).

Team 10

Team 10 for Self-Government and Legal Bases for the Functioning of the Economy will implement the following work during the second half of 1986:

1. Legislative cooperation with other teams in developing new economic and organizational (structural) solutions assumed by the individual teams.

2. Development of a draft plan appointing, within the framework of the Economic Reform Commission, a team for matters pertaining to the explanation of the content and meaning of the law on economic reform, and cooperation with this team.

3. The initiation and development of a preliminary survey for the purpose of obtaining from the chief and central state administration agencies, the Supreme Chamber of Control, the Supreme Court and the High Administrative Court remarks and opinions in the matter of the enforcement of the application and compliance with the laws serving the economic reform. The team plans to present in 1987 recommendations pertaining to the further analysis of the legal controls ushering in economic reform.

Team 11

The Team for Technical Progress will complete its work during this half of the year on material evaluating the causes for the low effectiveness of the undertakings that began in 1980 supporting innovative motivation. The team plans to submit the above topic for plenary deliberations of the Economic Reform Commission. During the second half of the year, the team:

- will prepare a preliminary study on the subject of the new law on inventiveness;
- will examine the proposal for proper relations between work and wages on the basis of work and wage gauges;
- will discuss the concept of setting up a system of creating prices on the basis of the useful value [wartosc uzytkowa] of a given product;
- will propose the modification of the tax system with consideration given to the quantity and quality of production and the export volume.

Moreover, the team will periodically formulate evaluations of motivational systems for the entire work force and for the engineering-technical cadre (on the basis of the implemented technological progress in the economy).

Team 12

The team for Small-Scale Manufacturing, Services and Trade will examine three groups of problems in the upcoming months:

- It will evaluate the creation of economic and organizational conditions for the formation of small enterprises and cooperatives;
- it will conduct a preliminary analysis of the effectiveness of small enterprises; and
- it will present an evaluation of the situation in the area of vital services and will specify the set of indispensable activity for improving the situation in this area.

The Economic Reform Commission Secretariat has requested that an evaluation of the functioning of various forms of agencies be prepared during this half of the year. Team 12 in cooperation with Team 4 will present the main causes for the drop in the number of agency centers. Within the

framework of this issue, Team 12 will present an evaluation of the management of the development of the craft trade and will specify the basic conditions for the efficient functioning of service facilities for the public (repair, hydraulic services, etc.).

Team 13

The following undertakings are included in the work plans until the end of the year of the Team for Matters Related to Social Services:

--an evaluation of the draft plan, prepared by a government team, of changes in the area of the organization and financing of health protection;

--the preparation of a proposal of changes in the area of legal rules and regulations that usher in the economic reform from the point of view of the needs of the social services sphere;

--an evaluation of the draft plan of a new law on cinematography;

--an analysis of organizational structures as well as problems involved in the certification of work posts in the sphere of social services and in particular, the review of:

a) the proposal of the Ministry of Education and Upbringing with regard to changes in the area of managing and financing education (including particularly vocational schooling);

b) the draft plan of the law on health care and medical professions.

The Economic Reform Commission Secretariat has recommended that Team 13 together with Team 4 assess the functioning of tourism and that it propose an institutional-organizational solution that would make this into a profitable realm of social services.

Team 14

The Team for Transport issues will continue or will assume the following tasks during the second half of 1986:

--an analysis and evaluation of international transport;

--an evaluation of the management of fixed assets and its generation [odtworzenie];

--an evaluation of the functioning of institutional solutions in the entire transport industry; and

--the electrification of railway lines from the point of view of the effectiveness of such undertakings.

Moreover, work will be conducted on institutional solutions in the process of the modernization and development of the repair and industrial facility of the railroad industry, of automobile rolling stock, and ship transport; the development and modernization of seaports and airports and municipal transportation systems. The team will also occupy itself with the preparation of an evaluation of modernizing investments in the transport industry and will begin work on preparing an expertise report on the plant systems of emoluments in this sector of the economy.

Team 15

In conducting an evaluation of the progress of implementing the reform in the building industry, the Team for Construction and Building will prepare an expertise on the subject of the organization of planning investments as well as on the organization of work implementation. Moreover, until the end of the year, the team will:

- evaluate all legal documents that are binding under reform conditions and pertain to the building industry;

- conduct an evaluation of institutional solutions proposed in the instruments of controlling the NPSG [National Socioeconomic Plan] implementation for 1986 to 1990 with regard to the building industry;

- review the problems connected with the planning of investments including issues concerning the organization of planning, the economic-financial system of design-planning offices, the appraisal of design-planning work, the principles of design planning, etc.;

- conduct an analysis and an evaluation of the efficiency of the existing organizational structures in the building industry whereby this analysis should concern the following in particular:

- a) the existing structure of construction-assembly enterprises from the point of view of the dimensions of employment and specialization in confrontation with the current demand for construction work resulting from investment and overhaul plans;

- b) the directions of the restructuring of the potential and the formation of small enterprises;

- c) the conditions for the attainment of a balance between the demand and the supply in the area of construction-assembly work.

Team 15 will also concern itself with the issue of work productivity in the construction industry and with incentive systems. The team proposes to conduct an analysis by the end of November of this year of fees for building-assembly work. Furthermore, the team will evaluate the proposal of guiding principles in the determination of model standard cycles in the building industry.

Team 16

The Team for Matters Related to the Instruments of Price-Income Policy will by the end of 1986:

--work out an expertise report on the subject of the instruments that shape prices and income in the CPR [Central Annual Plan] draft plan for 1987;

--evaluate the functioning of the formulas of shaping funds for emoluments in the light of the economic results for the first half of 1986;

--provide an expertise evaluation of the directions of improving the price structure between 1986 and 1990;

--define the role of price increases in the creation of higher wages in enterprises (on the basis of results of empirical studies).

Moreover, Team 16 will cooperate with Team 3 in working out principles that in making allowances for the priorities of the central policy in the process of shaping plant wage systems (also in the material as well as nonmaterial sphere) will enable the more general use of the universal method of valuating work (UMEWAP-85), the results of work post certification and the principles of standardization (directional proposal No 44).

In approving the above subject matter, the Economic Reform Commission Secretariat recommended to the heads of the task teams that they consult with Team 10 for matters related to Self-Government and Legal Bases for the Functioning of the Economy on all draft plans of legal controls related to the organization and functioning of the various sectors of the national economy.

9853/9604

CSO: 2600/21

REVIEW OF ORGANIZATIONAL STRUCTURES PLANNED

Columnist Outlines Review Tasks, Range

Warsaw ZYCIE WARSZAWY in Polish 2 Sep 86 p 3

[Article by Henryk Chadzynski: "Organizational Acceleration: From Enterprises to Central Planning"]

[Text] The range of intended organizational improvements is exceptionally extensive. In the domain of economy alone, several fundamental areas for structural review have been selected. At the sd plenary session of the PZPR Central Committee, the supreme and central organs of economic management were put at the top of the list. The central planning reform, up till now--to tell the truth--carried out only partially, became a subject for bitter arguments. It was considered a condition sine qua non, but at the same time as a litmus test for economic reform. Today we are much richer in experience. We know that the most significant is not just the answer to a question, one or two branch/department ministries?, but above all what is--and what is not--that this organ is supposed to be concerned with. Of how many cells should it consist?

The phone directories of ministries, of the Planning Commission, or even of the Council of Ministers Office, provide a most instructive reading; [I refer to] in particular the comparison between the number of under-secretaries of state, directors, and secretaries--then and now. Obviously, each post, which conforms to the present operational structure, is fully justified. But is such an operational structure really unavoidable?

The main reason for the review of all the central and supreme organs of our state administration should be--as pointed at the 2d Plenum--the completion of reconstruction of the central planning, that is to say, the adaptation of its operations to the reformed functional structure of our economy, as well as streamlining the role and the organization of the ministries as the executive organ of our government policies toward various divisions and branches of our national economy. Up till now, they had mainly lobbied for some particular interests of the branches under their supervision.

The Role of the Ministry

Hence the question: Should a ministry be the chief supplier, the distributor of foreign currencies, and [the paymaster of] wages? Or rather the funding organ, armed with clearly defined tasks and clearly defined rights to interfere, because of the role it is supposed to play in running the enterprises? And besides, should the model--that is to say, the organizational chart--be a uniform one, as it used to be in the past, and--what is more--has virtually continued to be ever since? Would it not make more sense if those branches which follow our economic infrastructure were managed differently from the structures inside the processing industries, which--by definition--should be run in a much more flexible way? Similar questions pertain in regard to goals and roles of operational ministries. Should the Planning Commission, as a kind of general staff, retain, for instance, its previous character as a minicopy of the former branch chart? It was said at the Plenum that that part of the review should be prepared mainly as a staff study, to be crowned by enacting a new law on the Council of Ministers.

Purposeful Links

Another area of the review, including the organizational structure of the economy, and in particular the supra-enterprise links and their opposite numbers in the cooperative movement, was also among those subject which had given rise to bitter controversies. Here again, it has to be admitted that one has to start with the recognition of the technological and economic characteristics of each branch of our economy. Some areas require central decision making and concentration of means, while in other decentralization should obtain.

But in the former case, do we really have to implement in full the MEGAT model which ensures wage preferences in return for enterprises' renouncement of their autonomy? After all, the possibility of intentional links had been envisaged in the reform guidelines, but they were supposed to become neither an intermediary link in the management, nor to deprive the enterprises of their autonomy.

Why do various conglomerates or combines hold so obstinately to the traditional branch charts, even though the reform had allowed for intentional mergers for joint investment ventures, for technological development, or for export promotion within the interdepartmental structures? A propitious situation has recently arisen, to review once again all those structures, and to think how to adapt organizational models to actual needs. But again, such an action cannot be hastened. In future the character of this pattern should be shaped according to clear-cut criteria of economic profitability and efficiency. Nothing short of analysis and precision in setting up targets would lead--in all those cases when it is justified--to such organizational structures, which in some cases would favor a policy of growth thanks to concentration of research assets or necessary investment, while in other areas will promote flexibility and competition based on market mechanisms. Hence the diversity of forms,

additionally enhanced by economic solutions which allow for a flow of capital, for buying up enterprises faced with bankruptcy, or for emission of bonds to fund ventures requiring additional means, in order, for instance, to enlarge a joint cooperation base for several processing enterprises.

All those premises, as well as the expressed philosophy of acting in accordance with the requirements of the reform and of efficiency, are supposed to be spelled out in the theses to be published. Thanks to the review and to public discussion, a list of desirable organizational changes in various branches of the economy will be put together, along with some unavoidable legal regulations and systemic solutions.

An Insightful Approach

Finally, the highest degree of diversification is needed in the domain of intra-enterprise operations, in order to allow for better use of the working time of machines and men, for proper use of cadres, for correct assessment of the range of goals and competences of various units, or--in other words--for modernization of the organization of labor to conform to the requirements of the contemporary technology. In this domain the attestation of workplaces will provide the review with an important supporting instrument.

To begin with, five enterprises had been picked out in each ministry to initiate a pilot venture which would provide experience. But this case too, the idea is not to engage in some one-time spectacular operation, but rather to introduce a method of constant review of the state of organization. The ministries have been instructed--with an end of October 1986 deadline--to use all the assembled data in order to work out appropriate ministerial and departmental working plans until 1990.

The review of all service and management units which engage in serving the population, could also bring effects of considerable social impact. Its starting point would be an analysis of the previous state of services, of the office procedures for dealing with the citizens' complaints, and of meeting customers' needs by the service outlets.

Such a review will provide a detailed list of all the fundamental actions necessary for improvement. Here again, in some cases simplification of bureaucratic procedures, while in others providing various units with modern technical equipment, will be of decisive nature. That area, too, should therefore be approached with careful insight.

For similar reasons it has been recognized that the review should include all the structures and employment in the managing bodies of civic organizations subsidized by the state budget, as well as in the scholarly, cultural, and health service institutions. There has been no precedent in our country for such a broadly conceived operation. But public supervision over ways of spending budget funds would be, of course, fully justified, provided the autonomy of such organizations is preserved. [It would show] to what extent their funds are justifiably spent for proper purposes, instead for the upkeep of a superfluous administrative apparatus.

Social Understanding and Support

Because of its scale, but also because of the need for active social cooperation in such an undertaking, the broad range of the general review of organizational structures in the economy and in the state, require an equally broad popularization of its aims and means, as well as consultation concerning various operations. In such a broadly conceived information campaign, a most significant element consists also of counteracting fears that a general review might signal a threat of mass firing or doing away with jobs. Unemployment in socialist Poland threatens no one, we have an enormous labor shortage, while relocation of cadres would permit their better use, since organizational charts should improve the way employees' skills are being put to good account. Modernization of the economy involves relocation of cadres inside enterprises, as well as between enterprises, branches, and industries. Such a large-scale movement has taken place anyway, but it has been spontaneous in character, and the direction of changes has not always conformed to the needs of our economy. The review is not primarily aimed at discovering employment surpluses, but it should, nonetheless, promote better use of labor reserves. In some cases this would require shifts from one workplace to another, or even change of skills and acquiring of a new profession, in some cases a much more attractive one. That makes the need for meticulous preparation of this operation even more urgent; it requires, above all, abiding by the rules of openness, providing sufficiently early information to prevent surprises.

According to the PZPR 10th Congress resolution, a commission will prepare--following its analysis of the situation--a report on the organizational state of the nation and of the economy. The report will be submitted at a national conference of delegates.

Planning Commission Spokesman Responds

Warsaw ZYCIE WARSZAWY in Polish 10 Sep 86 p 3

[Letter to editor from Marek Rosinski, press spokesman for the Planning Commission of the Council of Ministers]

[Text] ZYCIE WARSZAWY published on 2 Sep 86 an article written by Henryk Chadzynski devoted to problems of the review of organizational structures in the economy as in the state, titled "From Enterprises to Central Planning." While dealing objectively and most interestingly with many issues connected with this kind of problem, the writer used--to illustrate his theses--an example which must raise criticism of its cogency. Reading the phone directory of the Planning Commission of the Council of Ministers might indeed have been--as Mr Chadzynski claims--"most instructive," since it becomes obvious that the renown columnist had not handled it for a very long time. Thus he was prevented from finding out that at present the Planning Commission has less staff, compared with the 1980 stand, by over 620 people, which means a nearly 40 percent reduction in employment. He might have earned a big award, had he confirmed authoritatively--thanks to his knowledge of the organizational and functional charts of the Planning Commission--that as a staff body it has remained a "minicopy of the former branch system."

Well, I would like to inform you that in the Planning Commission there are no longer any branch groups, within the traditional meaning of the word. There are instead five groups (out of a total of 25 organizational units--groups, departments, etc.) which are concerned with major branches of the national economy. They include groups which deal with the iron industry and mineral extraction; fuel and energy; chemical, light, and timber industries; electromechanical industry; and communications. Even if all those groups could have been ascribed to a branch system, they would amount to just one fifth of all the organizational units within the Planning Commission of the Council of Ministers; the staff of those groups equals just under 12 percent of all those employed in the Planning Commission. It certainly does not fit its description as a "minicopy of the former branch system."

The Planning Commission of the Council of Ministers, just as the central administration as a whole, obviously will be submitted to the review of organizational structures and to the attestation of workplaces. The team created for this purpose is due to start its work within the next few days. The results of its work will streamline the operation of the Planning Commission as the government's central staff organ.

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CHAMBER OF FOREIGN TRADE REVIEWS JOINT VENTURES PROSPECTS

Warsaw RYNKI ZAGRANICZNE in Polish No 116, 27 Sep 86 p 8

[Text] The explanation of misgivings and the exchange of initial experiences associated with the creation of joint ventures with foreign participation were the topic of the meeting that took place at PIHZ [Polish Chamber of Foreign Trade]. Among the dozen or so invited enterprises, 35 were the authors of the most concrete answers to the survey of the chamber regarding the possibility of participation in joint ventures; the remaining enterprises also represent potential partners who have notified the MHZ [Ministry of Foreign Trade], among others, about their interest. Guests at the meeting were: the deputy minister of foreign trade, Kazimierz Klek; directors of the department at MHZ, Anatol Nowik and Hubert Janiszewski; and Andrzej Burzynski, director of CiiUP. The meeting was conducted by PIHZ vice-president, Jerzy Szopa. In answering his question, 25 enterprise representatives declared that they already know the name of their potential partner whereas 15 have begun negotiations.

No joint venture has been formed yet and there has not been any proposal as of yet. However, according to MHZ data very advanced talks are being conducted concerning 30 undertakings. The MHZ representatives explained that enterprises interested in taking part in joint ventures may look for potential partners through the Ministry of Foreign Trade and the PIHZ, which is conducting an informational campaign in the country as well as abroad, as well as through foreign trade enterprises that export their products.

The incorporation into the informational campaign of international organizations is also being considered by the MHZ. For example, in 1987 there could be a forum held that would on the one hand bring together interested foreign companies and on the other, Polish enterprises and institutions. Such a meeting would serve comprehensive information and at the same time, the finding of partners for future enterprises. The enterprises have also been given freedom with regard to the independent conducting of negotiations with foreign firms. In order to begin talks, an enterprise does not have to have the formal approval of the parent agency. However, the latter should be informed about them. Approval is not required until the phase of submitting a formal proposal. It was also explained that there are no rigid rules and regulations as to the moment that the phz [foreign trade enterprises] representatives are to join in the talks. There assistance in the negotiations is possible and necessary from the very beginning.

Further questions posed by the meeting participants dealt directly with the solutions of the legal act on joint ventures. Many practical issues associated with their activity in Poland were also discussed.

Explanations

In referring to the appropriate articles (article 26) of the legal act, the specialists present at the meeting explained that a joint venture is treated as a unit of the socialized economy. It follows from this that it can compete for government orders [zamowienia] taking advantage of the privileges--supply, among others, that arise from this. At the same time, attention was called to the fact that the fundamental aim of joint ventures is to be the development of exports. Only this activity can lead to foreign-exchange profits which the foreign partners will have the right to transfer.

The issue of employment and, in particular, remuneration for employees of joint ventures evoked skepticism among the meeting participants. The current position of the MPPiSS [Ministry of Labor, Wages and Social Service Affairs], which makes the wages and liabilities in joint ventures equal to the level of state enterprises, is--according to enterprises--unattractive both to the partners of both sides and to those employed in the joint ventures. The foreign trade ministry has requested a review of this position.

It was recalled at the meeting that a joint venture may draw credit in zloty on the basis of the principles in force for state enterprises and on the basis of agreements made between a joint venture and a bank. A joint venture may also take advantage of foreign credit. However, this requires foreign-exchange authorization and the approval of the banks in which it has accounts. This subject was expanded to include debate over whether a large outlay would be more profitable for the Polish partner while concurrently persuading the foreign partner to do the same or to conduct operations on the basis of credit. Attention was called to the fact that joint ventures with small capital have smaller possibilities of conducting activity or of receiving credit. Thus, the long-term strategy of an enterprise would appear to dictate the first solution.

It was explained that the expenses of joint ventures in zloty may be covered from funds obtained from domestic sales, from the compulsory selling back of foreign-exchange to the Polish bank, and also from credit drawn on Polish banks. As far as the issue of funds "saved" during the first 2 years as a result of being exempt from income tax is concerned, they [funds] can increase the dividends of the shareholders or the funds at the disposal of the joint venture--therefore, contribute to its [joint venture] further growth.

Experience

The representatives of the Paged and Ciech joint ventures as well as the Prodrem Service and Manufacturing Industrial Group in Gdansk shared their experiences from the talks conducted to date on the subject of creating joint ventures.

According to Paged, multi-branch joint ventures appear the most promising. However, certain conditions must be met. The most importance is placed on the effectiveness of the undertaking. Here, the speaker presented the role of so-called feasibility studies, thus, reports on the state of the enterprise and thorough analyses of the effectiveness of the undertaking. Next--the influence of foreign partners on decisions concerning production and sales strategy. The credibility of the domestic partners is also important. Guarantees of foreign-exchange outlays--although interesting--are not placed in a position of primary importance. However, Paged's foreign contracting parties call attention to the issue that intergovernmental agreements would constitute the ideal formula.

For domestic partners, according to Paged, clear motivation is of the utmost importance. Joint ventures are already being identified by potential partners with modern technology, good work organization and increased productivity, lack of supply problems and finally, with the problem-free opening of letters of credit [akredytywa] and the use of their own foreign exchange. The stand of the work council is very important because the formation of a joint venture automatically means the elimination of the council. The work forces of the aforementioned five enterprises are interested in entering a joint venture as a whole in order to, among other things, avoid being divided into joint venture employees and those of the "old enterprise" and to have everyone take advantage of the effects of joining a joint venture.

The Paged representative emphasized that the foreign trade enterprise has been participating since the beginning in the talks on the subject of possible joint ventures and when these are created, Paged will be their partner.

The representative from Ciech had somewhat different observations. The center [centrala] is at the stage of informing its partners about the prospects for growth that arise from joint undertakings, about finding suitable domestic and foreign partners, and preparing feasibility studies. In the opinion of the speaker, joint ventures must take on only profitable exports. He also stated that the attraction of joint ventures for Polish enterprises also lowers the granting to them of the right to use the foreign-exchange profits to which they are entitled only to the level of a determined foreign-exchange allowance.

The Prodrem representative called attention to the positive "side effects" of negotiations with potential foreign partners. Admittedly, it has not yet come to the creation of a joint venture but discussions with them have already borne fruit in the form of concrete service contracts for those foreign firms.

Explanation

Director H. Janiszewski began the conclusion of the meeting with an explanation of the principle of the compulsory selling back of foreign exchange by a joint venture in the amount of 15 to 25 percent. The amount is individually determined for each joint venture by the minister of foreign trade in agreement with the minister of finance. The established rate of 15 to 25 percent is the result

of a simulation account [konto symulacyjne] conducted at the H2 Information Science Center. Nine basic parameters occurring in each of the enterprises (among others, the volume of exports, imports, and the amount of taxes) were taken into account and checked in 50,000 variants. The purpose of the account was to determine the optimum proportions that would ensure on the one hand, constant specific foreign exchange revenues to the state treasury and on the other hand, the possibility of the transfer of appropriate foreign exchange profits abroad.

The MHZ representatives also discussed the documents that must be contained in the proposal regarding the creation of joint ventures that is to be submitted to the foreign trade ministry. The most important and at the same time, the most difficult to develop is the report on the financial-economic efficiency of a given investment enterprise. Such a report is decisive for a foreign partner and it also allows the Polish side to examine the feasibility of investments under various aspects. The World Bank will also require them [reports] in the future with regard to self-financed undertakings. The practice of working out such documentation is new to our economy. Thus, specialists consulting organizations will be of assistance in this regard.

The exchange of opinions about the initial experiences in the area of joint ventures was concluded by Kazimierz Klek, deputy minister of foreign trade, who presented the directions of the activity of the ministry aimed at creating joint ventures with mixed capital. The first of these directions is traditional based on establishing contacts with already familiar trade partners in the area of goods that have been manufactured thus far. However, to reach the wider body of possible foreign partners, MHZ has taken upon itself the establishment of a list of offers containing the more pronounced economic characteristics of the enterprises interested in joint ventures. The next step will be to incorporate our offers into the UNIDO system and into the World Bank. This will significantly facilitate the influx of information. The list of offers is to have an open character and the placement on it of a Polish enterprise will be the expression of its intention and not obligation to enter into a joint venture agreement. The MHZ also does not have preferences as to the dimensions of the joint undertaking.

With regard to the issue of guarantees, the MHZ presents the position that they are adequate. They are created by the law itself and by bilateral international agreements whose standards are being worked out currently. The providing of bank guarantees is also envisaged whereas our credibility will be additionally strengthened by the planned joining of the World Bank Multilateral Insurance Agency against noncommercial risk.

In conclusion, Minister Klek warned against excessive optimism associated with the issue of joint ventures. At the same time, however, he appealed for the particularly careful preparation of the initial draft plans for joint undertakings since it is on this basis that the opinion of the concept itself will be formed.

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CLOTHING SUPPLY OUTLOOK FOR 1986

Warsaw ZYCIE WARSZAWY in Polish 20 Aug 86 pp 1,2

[Article by Anna Wolynczyk: "The Fall and Winter Market for 1986: Chinese Pants and Track Suits: Few Warm Stockings: Problems With Jackets and Coats: Men's Shoes But No Suits: a Shortage of Knee-Boots and Shoes for Children: Sleds and Hockey Suits"]

[Text] (Own information) The Association of Internal Trade Enterprises under its director, Marian Staron, presented information at a press conference on 19 August about the expected market conditions during the fall and winter of this year.

Here are the most important points:

It will be much easier than a year or two ago to purchase undershirts, slips and panties. It will be harder to find warm underwear and therefore cotton underwear and long underwear. Our industry is still having problems turning out these items and we will have to supplement our own products with imports. From China, we will receive about 4.8 million sets of warm underwear (two million more than last year), 11.8 million sets of thin cotton products, more than a million pants for children aged 2-15 years and a million sets each of long- and short-sleeved children's undershirts.

China will also be sending us track suits that our own industries cannot produce, chiefly due to a lack of materials. 100,000 of these track suits will be for children up to 15 years of age and 346,000 will be supplied for older children. This is not a large amount but will somewhat alleviate our shortage of these items.

Thin stockings can already be purchased now even in street kiosks. It is much harder to find warmer and thicker stockings and unfortunately, we cannot expect to see any radical improvement in the supply which may still improve next year when Pewex funds can be used to buy better and newer textiles machinery for our industry.

The unattractive and dull fabrics that the textiles industry is offering clothing producers and also the shortage of linings means that many persons will not buy a new coat or jacket this fall. For some time, there has been a shortage of outerwear and that which is reaching the stores is usually neither attractive nor functional. The success enjoyed by the different jackets and lounge coats made privately or by Polonia firms which normally use the same materials as state-owned industries is due to their more fashionable patterns. State-owned enterprise is saving the situation with imports. From China, there has been purchased 40,000 men's lined jackets, the same number of men's and girl's lined jackets from Hungary and 60,000 men's jackets from Yugoslavia.

There should be 200,000 more wool scarves than last year and the supply will therefore be much better. The textiles industry has received material for making knitted gloves and caps. In addition, China is also providing 400,000 pairs of knitted gloves. Nothing is known about the supply of leather and fur gloves but we can expect a lot of nutria furs and a shortage of gloves.

Men will certainly be able to find shoes because the supply is now satisfactory. Unfortunately, there is a shortage of suits in many provinces and this may signalize a serious problem in this area of production. Should we not perhaps also import suits from China?

The parents of small children with shoes sizes between 18 and 24 are frantically searching for shoes. This year, the production of children's shoes in these sizes was not covered by a government order and that is almost certainly responsible for the shortage. Announcements that the shoes will be covered by an order next year does not give us many now. According to merchants, there will be a shortage of 1.2-2.4 million pairs of children's and especially children's all-season shoes this fall and winter. There will also be too few women's booties, pumps, knee-boots and shoes with felt uppers [botki].

We may be championing a mode for walking around town in "not ski boots" and therefore light (but ponderous-looking) and clumsy pseudo-botki. There is supposed to be a supply of 110,000 pairs of these shoes in the state-owned shops but according to business estimates, there will be a demand for 120,000. Meanwhile, there will be about 44,000 pairs of skis (as opposed to last year's 17,000) on the market and 60,000 pairs of ski boots.

Ski safety bindings which are also on the official list of deficit goods for the winter season will be produced thanks to imported springs. Since the producers have little foreign currency for the purchase of these springs, there will also be few bindings (about 48,000) available. There will be enough ski poles even for those who broke the ones they purchased last year and the supply will exceed that of skis by about 100 percent. Business informs us that about 100,000 warm ski suits are needed but we will have only 17,000.

It will be easier to provide winter fun for children. Businesses feel that everyone who wants them will be able to buy hockey ice skates. Children's skates and figure skates will be less available. There will be 62,000 pairs to satisfy a demand for 100,000. Stores will receive 137,000 pairs of children's skis which is about 85 percent of the demand.

12261

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SUPREME CHAMBER OF CONTROL STUDIES HEATING COAL SUPPLY

Warsaw ZYCIE WARSZAWY in Polish 20 Aug 86 p 3

[Article by Andrzej Zmuda: "Coal Under the Eye of the Supreme Chamber of Control: To Whom, How Much and Why?"]

[Excerpts] In the last two years, one hears it said very loudly in the countryside that coal allotments are going unrealized, the coal is unprocessed and dirty, it is too fine and there is too much dust. One hears similar complaints from the cities: too little coal and coke for home heating and kitchen and room stoves and deliveries are irregular.

What is the supply of heating coal really like? Why last year, more than 33 million tons of pit coal made its way to the market and to communal heating plants. To this we must add about 4.4 million tons of allowances. Last year, about 191.6 million tons of coal were mined. The domestic market alone (farmers and city inhabitants) received more than 21 million tons of pit coal. It is true that this is about 350,000 tons less than planned but it was 2.3 million tons more than in 1984.

Little and Much

The Supreme Chamber of Control [NIK] recently concluded a comprehensive investigation of the rural and urban supply of pit and brown coal and heating wood. This was an enormous project as it involved 100,000 fuel dumps, the same number of communal cooperatives and "Peasant Self-Help" establishments, scores of forest inspectorates and several railway stations. Town and village halls were visited along with the trade departments of 14 provinces.

The image was not too optimistic. It turned out that even though there are indeed many shortages of fuel, there is also no lack of poor management and bad distribution. It was also found that while some people had too little coal, others had too much. As the NIK inspectors learned, the above-normal sales of coal at some rural townships ranged between several score to several score thousands of tons. According to calculations therefore, the amount of pit coal available on the market was reduced by 1-1.5 million tons.

Furthermore, at the end of last year, there was a shortage of 3.7 million tons nationwide and this included 1.7 million tons needed for agricultural production and two million for homes heating.

As we know, we cannot make up for many of these shortages and that is why monetary equivalents have been proposed.

However, what has caused these contradictory shortfalls in provision at one place and prodigious allotments in others?

As the inspection revealed, this has above all been caused by not following regulations which state that whenever a home owner uses electricity or gas for heating or cooking, his coal allotment is to be reduced. There has also been a failure to apply corrections to those who receive coal allotments. Additional allotments are also made necessary by the disorder and carelessness, poor record-keeping and bad discipline in coal use at many fuel dumps and establishments of "Peasant Self-Help". It was also found that coal was being delivered to "dead souls", more coal was being ordered than really needed and ordinary abuse was also revealed. In 80 percent of the townships inspected, coal demand was poorly balanced.

There were also coal allotments that fell way too far below the needs announced by townships as well as those that far exceeded them. What is worse, city and town leaders usually failed to monitor coal distribution and improperly managed the reserves at their disposal.

Incorrect fuel balancing was also found among the higher echelons such as the provincial governments, domestic trade departments and in the central bureau of "Peasant Self-Help". This led to incorrect calculation of needs for various agricultural and domestic purposes which in turn affected supplies.

What Is Being Offered In Replacement?

To all that has so far been found we can add bad mining and transport practices. The quality of coal has deteriorated (higher ash content), there is less coarse coal and more dust. Last year, the amount of coal dust reached a record level of more than 2.8 million tons (13.6 percent of all deliveries) and this caused understandable dissatisfaction. This would not be such a bad thing in itself if we could install boilers and furnaces capable of firing dust but as we already know, there are none for sale. Briquets can be made from dust but only 270,000 tons reached the market last year. According to the statistical yearbook, briquet production last year was for some strange reason only about 860,000 tons and almost twice less than in 1978 while the output of coal dust remained almost constant during this period (?!). It has therefore been fruitless to appeal to people to use fewer coarse assortments without offering them briquets in return.

Recently, the government decided to increase the supply of coarse coal for market purposes but in the long run, we cannot count solely on the grade of

coal that we sell for such good prices abroad. To put it simply, the mechanization of coal mining has lowered the supply of such coal and this is something that we must take quite seriously.

It is already well known that we do not have too much pit coal and our prospects for substantially increasing its production are very weak. The projected plan for 1987 calls for an output of 192.5 million tons or 0.3 percent more than this year. Therefore it is all of us and not just the "energy hogs" of industry, transportation and construction that must conserve coal.

However, there must be an alternative and that is other fuels such as brown coal, wood, peat and even by-products such as sawdust and wood chips.

We are producing increasing amounts of brown coal (the output will be 9 percent higher next year) but in spite of that, there is so little of this coal for the consumer market. It is quite a paradox that towns and communities within brown coal basins are burning mostly pit coal. They simply do not have the right equipment or the traditions. Brown coal can be used to make excellent briquets. Last year, however, the plan for the brown coal supply was only 70 percent fulfilled due to poor transportation and bad organization of distribution (?!). It is not at all surprising that people everywhere are complaining about the shortage of brown coal.

For a long time, many regions have given up quarrying peat as a heating fuel because it is unprofitable.

The use of wood as a heating fuel is also in a bad situation as it often lies rotting in the forests. Indeed, the forestry ministry did exceed its last year's plan by wide margins but as the NIK inspectors claim, no wood was to be found in many fuel dumps or if there was any, it was being offered for the ridiculous price of 2600 zlotys per cubic meter or more than a ton of pit coal! After all, wood is being sold much more cheaply right in the forests at 200 zlotys per cubic meter. Anyway, any tourist can see how many whole trees, stumps, limbs and shrubs are decaying in our forests.

Poor Price Relations

Specialists say that there is a poor price relation between coal and other fuels. They as well as miners and economists have concluded that pit coal should be more expensive and only then will it be profitable to burn wood, peat, sawdust and especially cheaper brown coal.

However, this will make it necessary to start producing the right kinds of furnaces and boilers. From time to time, the latest genial invention in this area appears at DTV like a meteor but seldom finds its way into commerce. Without such innovations, no appeal to conserve on pit coal makes any sense at all.

As long as the supply and demand for pit coal are not balanced, that commodity will have to be rationed. However, our only chance of providing a proper supply on the market is in reducing its consumption in all areas of the economy and especially in industry. Our experiences up to now have already shown how much can be saved. Very strict conservation can also reduce coal consumption on farms and in homes.

At the same time, according to the conclusions of the NIK, it is necessary to very thoroughly clean up the system of distribution, more effectively balance demand, deliver allotted fuels on time and eliminate the recently-discovered abuses. All of this depends on the efforts of business and the local and central governments.

Only then can we honestly and correctly answer the question of "to whom, how much and why".

12261

CSO: 2600/678

RESULTS OF 1985 ANTIPROFITEERING CAMPAIGN NOTED

Warsaw ZYCIE GOSPODARCZE in Polish No 40, 5 Oct 86 p 11

[Article by H.S: "Against Speculation"]

[Text] The law on combatting profiteering has been in effect for 5 years already. It is being implemented by the provincial and regional commissions for combatting profiteering that are supported by PRON [Patriotic Movement for National Rebirth], the union movement and the consumer protection movement, the League of Polish Women, the Supreme Chamber of Control [NIK], the public prosecutor's office, the courts, and by the MO [Citizens' Militia] and supervisory agencies. Starting with last year, profiteers are being penalized more severely.

As a result of the "market" and "gasoline" campaigns conducted by the MO in 1985 as well as other measures, approximately 3,300 preliminary legal proceedings were initiated. During that same year 14,700 offenses committed against the welfare of consumers were disclosed. The most common of these was profiteering involving goods bought up from cooperative trade; ration card fraud; the sale of goods directly from warehouses, during their transport and in defiance of the binding regulations; the refusal to sell goods and concealing them from consumers as well as hoarding goods.

Profiteering involving goods purchased in stores occurred most often constituting 41 percent of the exposed offenses. The object of speculation was frequently alcohol as well as industrial goods such as household furnishings, electronic equipment, furniture, building material and agricultural machinery. These same articles, including carpets, motor vehicle accessories and radio-television equipment, were also being sold directly from warehouses or during transport.

On the other hand, with the intention of speculative sales, goods of foreign origin, electronic watches and items made of silver were hoarded most often. The number of disclosed offenses of this type increased by 15 percent in comparison with 1984.

Last year, MO agencies initiated 723 preliminary legal proceedings against speculative offenses within the economy involving liquid motor fuel. The most frequent occurrence involves drivers who work in socialized enterprises and

turn over fuel ration cards to gasoline station agents so that these can in turn issue fictitious receipts legalizing the speculative sale of gasoline to individual customers. It also occurs that the agents introduce into circulation already used portions of gasoline cards and GIGE [Main Inspectorate for Energy Management] authorizations. There is also fraud involving stolen gasoline ration cards and the sale of motor oil to drivers from the second payments area.

The State Trade Inspectorate disclosed abuses and irregularities last year in 19,000 establishments. It also checked the quality of goods and questioned it due to its inconsistency with the standards in 25 percent of the goods in the inspected plants and warehouses.

The antiprofitteering campaign is also being conducted by financial and price control agencies. The price inspectorate has questioned 40 percent of the price calculations in 7,500 audited units of key industries and small manufacturing enterprises, trade, restaurants, and services. As a result of this, the state budget received 2.3 billion zloty whereas the injured consumers and customers recovered more than 2 billion zloty.

The State Inspectorate of Agricultural Product Procurement and Processing exposed last year the turnover outside the ration system of 107 tons of meat and its products; the speculative trade turnover of products valued at approximately 10 million zloty, the spoilage and worsening of the quality of products in the amount of 60 million zloty. In sum--more abuse than in the previous year.

9853/12795

CSO: 2600/59

MOTIVATIONS FOR WORK TO SUPPLEMENT INCOME DESCRIBED

Warsaw POLITYKA in Polish No 35, 30 Aug 86 p 6

[Article by Piotr Sarzynski: "Homo Chalturicus"]

[Text] A foreigner arrives in Poland for the first time. He is interested in life in our country. He observes carefully, asks questions, calculates, and begins to understand less. How can it be that in view of the existing relation of prices to wages, Poles can buy (and do buy) cars, furniture, refrigerators, color televisions, and even clothing, shoes, and vodka. In other words, how is it that we spend much more than we earn? The key word here is "chaltura".

In the first of 13 volumes of the 1958 edition of the "Dictionary of the Polish Language" the term *chaltura* does not appear. Whereas, the authors of the "Dictionary of Correct Polish" basing themselves on the language textbooks of the late 1960's, define it as additional work, usually in the area of the arts, undertaken exclusively for profit, and defines its product as "literary trash". I believe that if linguistic experts were to write a new dictionary now this idea would grow in new meaning and context. Its career is, however, unquestionable, and its social meaning continues to expand. Let us start with a basic question.

What is *Chaltura* Today?

Part of the situation does not leave any doubts. The student picks strawberries in June, a famous actor tours the gmina centers of culture with Estrada, an architect spends nights over a design for a villa for a chicken farmer, and the teaching assistant tutors. Sometimes, however, *chaltura* in addition to providing money serves to improve professional prestige, allows for development of passions and interests, and brings about the fuller utilization of knowledge. The teacher regularly contributes articles to "Polish Nature" while the librarian directs part-time amateur theatre at the community center. They supplement their earnings and with pleasure. It can also be added that they enjoy it. Be it *chaltura*, or more elegantly known as supplementing one's income or simply bungled work, above all, it is a source of money. It is nice when one can earn money without psychological pressure and even better when it is large sums. The linguists were right when they noted that the economic

factor is most important. On the other hand, it is difficult to agree that this concept is limited to the arts sector. Today it is becoming more apparent that chaltura is widespread.

More people than ever before are supplementing their income, this includes both the young and old, and after work as well as during the workday. This includes professors and workers. For some it represents a small supplement to their salary, while for others it is the basic source for existence and building a financial future. This includes commissioned work, agreements on work, agreement-commissions, or the simplest from hand to hand. Before our very eyes, a new type of man and citizen is coming into existence--a homo chalturicus. In Prof Antoni Rajkiewicz's opinion the meaning of supplemental income in the Polish family budget is increasing systematically. In addition, the number of countrymen infected by this virus of additional zlotys is growing from year to year.

Unfortunately, everyday observation and personal experience must suffice for an appraisal of the scope of this phenomenon. Despite the generality and social or economic significance, chaltura is as unknown a problem as it is a worrisome one for every research institute and establishment. Theoretically, in order to supplement one's income it is possible to look at it from two perspectives, that of the budget of the individual household (micro scale), as well as the sum allocated for wages from the national budget (macro scale). The problem on the micro scale lies in the sociological and economic scope of questionnaire research, and above all determines the potential level of interest by the Main Statistical Office. However, as Dr Jan Kordos, who works in the Social Research Department, explained it to me that supplementation belongs to the group of so-called variable unobservables. This means that according to scientific criteria it will be impossible to do a reliable evaluation on the basis of questionnaire-type studies. Just like with marital infidelity, alcoholism in the family, so with additional income, the respondents do not want to confide in survey takers. Certain experiments have been undertaken, but without success. Dr Kordos believes that chaltura includes four times more people than those who indicate so on questionnaires. Neither the Ministry of Labor, Wages, and Social Affairs nor the Ministry of Finance have any data on the global topic of the size of funds allocated for contracted work in Poland (macro scale). In statistical economic categories, however, there is the "impersonal wage fund" but it clarifies little. This is because chaltura is not only part of this fund, and this fund does not consist exclusively of chaltura.

Of course, this and that person even got the idea that the problem should be looked at more closely, but this is as far as it got. In unofficial statements, I heard many numbers but always with the qualifier that: "This is my personal opinion, or you should treat this as tentative."

Supplemental income is divided into two categories. The majority involves work contracted by factories, firms, and institutes. This money comes directly from the national budget or from enterprise funds. The specification of the size of the amounts is almost impossible. It does, however, become totally impossible with the so-called secondary circulation, or

in other words secondary distribution which passes privately from hand to hand. It occurs when we pay the tutor, the woman who washes our windows, or the salesperson who obtains a refrigerator that is supposedly unavailable. Chaltura as secondary distribution does not help in increasing the amount of money in circulation, but results in the transfer of large sums and the creation of sources of income which are difficult to trace. The social growth in the importance of chaltura gives rise to the question:

Is This New Ethos of Work Threatening to Us?

The first apparent symptoms are already being noticed. Primarily, supplementing it rapidly losing its character of being a shameful activity and acquiring traits of ornamental value, and worthy of praise. He who finds a good chaltura is a shrewd man, clever (not cunning), and able to live in our reality. Often there is competition with friends and neighbors with regard to one's additional work. The better and the less labor-intensive, then all the more reason for pride.

The fact that chaltura has not yet become an officially sanctioned or widely accepted "style of life" is undoubtedly due to our national gentry mentality. Its contempt for making money, even in face of reality, is becoming weaker and at times even hurts. Supplementing is still often subject to a moral stigma of the lower middle-class, and publicly suspicious and unworthy. I believe that in a few years, Dr Kordos will be able to recognize chaltura as changeable and very noticeable. Meanwhile, today the question remains: Does it embellish or embarrass? We can respond that it does not embarrass, and sometimes even embellishes.

The people's attitude toward their basic place of work is also changing due to the influence of mass chaltura. Above all, it appears more and more that it represents the source of social insurance (free medical care, paid vacations, retirement pensions, etc.) and sometimes, although rarely, a source of satisfaction and gratification of prestige demands, self-realization, and power. At the same time, it is precisely in chaltura that the basics of economic insurance for everyday life are sought. The full-time job gives one the experience, while supplementing helps one's existence (sometimes even for pleasure). "I work because I have to, I do chaltura because I want to or need to," more and more Poles are thinking in this manner.

It is not difficult to predict the consequences. Investment of time and energy, even emotions and intellect, is transferred from full-time work to supplementary work. This is not the chaltura that the authors of the dictionary had in mind, but rather 8 hours at a desk, store, or shovel, and which then becomes the source of literary trash. With supplemental work, we are occupied (because we like it) honestly and scrupulously (because we do not want to lose it), we do not waste time (because it provides us with money), and we are less frustrated (because it is a result of our free will). While a regular job is simply there, the old and golden saying is that your regular job will be there whether you work or not.

The increase in chaltura did not come about from out of nowhere--In our reality it is determined by two factors:

Social Conditions and Individual Motivation

Economic motivation being the basis for undertaking supplementary work is not something homogeneous. When the cost of living increases, more people take up chaltura, not to surround themselves with new things to raise their standard of living, but rather to try to survive, and like in the past be able to buy their child a new toy, and themselves a new book without the fear of not having enough money to last until the first of the month. Supplementing is no longer being associated with the opportunity for a better life, but becomes an escape from poverty. This is not only a subjective difference, occurring in the individual's consciousness but very objective and noticeable everyday and everywhere.

The situation of the young intelligentsia is special, and it is here that four elements converge. The first is the cost of becoming an adult, which includes buying an apartment (or renting), being able to afford furniture and accessories, and costs associated with the upbringing of children. This means zero investments for many years to come. The second element is the many expectations, awakened needs, recollection of what was and the knowledge of what others have. The third is earnings. The wages are comparatively more modest and somewhat below those of a maid or bookkeeper, not to mention the plumber or locksmith, without any other supplements (functional or years of service), without the opportunity for access to benefits available to the elderly and the well-to-do. Finally the fourth factor concerns the continually high level of social prestige, irrespective of income, of the young doctor, lawyer, engineer, or economist.

In conclusion, this includes significant living needs, great aspirations, formally high social status, and very modest pensions. This distintegration of characteristics creates stress and frustration among the youth, and can very easily (but does not mean very quickly) be resolved by sacrificing the supplemental income. There is perhaps no other social group which devotes so much time and in such numbers to supplementary work.

I did a mini-survey among the friends of young college alumni (2 to 6 years after graduation). For every 15 persons representing various professions, only two did not do work on the side at all. Sometimes supplemental income equalled the individual's salary, or even exceeded it by two or threefold. The young, in general supplement their income in their own profession, and less frequently through physical labor. Even with an adjustment as to their location (Warsaw represents the largest number for chaltura) and the specific situation of the young intelligentsia, the results of this survey astonished me.

The non-synonymous social function of chaltura makes it difficult to answer the question:

Praise and Develop, or Criticize and Persecute?

There are three arguments against this. First, supplemental work, is very often work accomplished within the framework of full-time job obligations. What portion of that which should be done for wages, because of poor work organization or just "tumiwisizm" or "olewajsto" falls into the categories of contracted work? No one has studied this, and I believe that the results could prove to be surprising. The second matter concerns governmental principles. It is somewhat difficult and awkward to include in an ideological socialist and socio-economic system the support for income supplementing as a form of existence. Thirdly, it is possible in principle to assume that mass chaltura systematically and successfully weakens the intellectual and energetic potential needed to do one's job competently, a job for which we receive a salary.

Next the "pro" arguments. In a situation where there is a shortage of workers, contracted work, overtime, supplemental agreements basically save the existence of numerous enterprises and render it possible to fulfill numerous tasks. Pragmatism dictates that chaltura be cuddled. Another "pro" argument is the fact that supplemental work basically allows one to live better.

A Pole supplements and makes money. All the same, the costs of this additional activity are great and difficult to estimate. This includes interrupted education, lack of proper care and supervision over the upbringing of children, and deteriorating marital relations. This also includes all the books left unread, films and exhibits not seen, and the Sundays and holidays not taken. A permanent state of haste, fatigue, lack of sleep, increasing disregard for everything around them, and a constant feeling of unfulfillment. This is a high price to pay.

Only a few are able to escape the fate of being "chaltura-laborers." Those who live exclusively from their wages are divided into three groups. The first constitutes those who are not involved with chaltura because they do not need to be. They are from a wealthy family (or seasonal labor) and doing work which is paid well enough so that any supplementing of income would only signify just plain greed. There are many more of those who do not get involved in chaltura because they cannot. They do not have the opportunity to, or just do not have the time or energy. We must remember that there is a different market for supplementary work in Warsaw, Gizyck, and yet another in the rural areas. The opportunities of the seamstress or coalminer are different from those of the researcher or actor. Finally, the third group, the smallest and one which continues to shrink includes those who do not want to. They often make a dramatic choice of other values (family, hobbies, cultural activities, and travel) in exchange for an existence which is at a much lower standard of living level. From some they gain admiration, from others the nickname "fool or failure."

Aleksander Bruckner, in the "Etymological Dictionary of the Polish Language," derives the term chaltura from the Russian "chautury" and the Greek "chartularion." This was defined as a list of the dead read aloud by a member of the Orthodox clergy, prayers for the dead, and gifts for this purpose. Today, it is not the Orthodox clergy nor the artists, but the entire economy, those in the fields of science, culture, education, and medicine, who live off chaltura, and they value, care for and love chaltura.

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CSO: 2600/4

COLUMNIST CRITICIZES DEMAND FOR EQUAL WAGES

Warsaw ZYCIE WARSZAWY in Polish 30 Sep 86 p 3

[Article by Wieslaw Szyndler-Glowacki: "Cries about Wages"]

[Text] Television recently showed a group of women workers who during a meeting with high level union officials simply screamed that wages should be equal because "we all have equal stomachs." And although such views are not unusual in Poland (their supporters are mainly poorly qualified workers), the officials dismissed their discussion with generalities, somehow they lacked cogent arguments.

But even naive women can understand that equal pay for everyone would quickly lead to complete economic collapse. No one would want to work more than the worst; even the most ambitious in the end would lose their desire to strive for others; thus productivity and production would quickly fall, and there would be no one willing to undertake the more difficult work, and we all know what, for example, the closing of the mines or the stopping of the power plants would mean for us.

Perhaps we could return to slave labor, although even then there was no equality for the supervisor and overseer would have to receive more for that system to function (not to mention that, in the end, the historical necessity of interesting the workers in greater productivity led to the end of slavery).

Thus it is difficult to question the thousand year old truth that a just inequality making income of individuals and groups depend on the results of their work is the precondition for economic development. In Poland however, not just unskilled workers fail to realize this truth.

This was evident during the above mentioned television program, in which various master craftsmen and technicians calling for justice which means carpenters, locksmiths, or assemblers should earn the same everywhere, for example, regardless of whether their work produces the same economic results, whether the enterprise produces profits or losses.

Although such equality must lead astray and contradicts the elementary requirements of the reform which is supposed to pull our economy out of its crisis, the union officials somehow came up short. Worse, they said the

unions are trying to settle these issues by striving for collective work agreements.

As we see, our union officials do not want to offend even people screaming about their own personal interests without any basic knowledge of economics. But nowhere is it said that every worker should always and everywhere make intelligent statements.

In all of this only one thing is important that we cannot explain to so many people the basic laws of economics. As I have shown in these pages, our economists and journalists, who write and talk at times wisely but in a jargon only they understand, are to blame. This lack of a common language makes it impossible to communicate with the broadest masses on such important issues.

Worse, all these discussions about wages, so full of misunderstandings, have become not only on television but in the unions the most attractive and engaging economic subject. Thus, they distract attention from decidedly more important issues.

When we must "bounce off the bottom" an economy which is providing people with such an inadequate national product, not how to divide that product but how to increase it is most important. Clearly, one is connected to the other (for in this situation we must pay those who clearly are contributing to increasing the supplies of needed goods better), but these discussions miss the connection. Each occupational group (from bottom to top) is crying only to tear out the biggest piece possible for itself out of the little that we have.

But in the long run such narrow mindedness will leave us with nothing from which we can tear out anything.

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PRICING POLICY SEEN TO HURT LESS AFFLUENT

Warsaw TRYBUNA LUDU in Polish 9-10 Aug 86 p 3

[Article by Zofia Krzyzanowska: "Can We Have a Good Market? For Sale For Whom?"]

[Text] Despite the fact that people still want to buy more than business can offer them, store supplies are growing and last year, for example, they went up by more than 30 percent. For some time now, the annual planning has called for an increase in consumer goods to normalize the market situation.

In the opinion of the Domestic Market and Consumption Institute, the relatively rapid growth in supplies is largely the result of poor quality or price barriers and therefore represents a complex situation.

Shortage and Overflow

There still persists a shortage of tourist equipment, furniture, automatic washers, less expensive radios and televisions, tablecloths, unadorned enamel dishes, cotton underwear, freezers and, of course, automobiles. There is also a severe and continuing shortage of home finishing articles such as sanitary devices, varnishes, radiators and others. Meanwhile, many more products are not finding buyers.

Expensive hi-fi equipment, rugs, shoes and clothing, ornamental table settings and glass, decorative kitchenware and some perfumes and cosmetics are piling up in warehouses. The price barrier is also having an effect in an alarming segment of the market -- foods. Store shelves are filling up with jams, compotes and other fruit and vegetable products, expensive teas and rice. Consumer buying of vegetables, fruits and services is at a very low level.

In Whose Pockets?

It is not true that every one of us has in his pockets a few thousand extra zlotys representing the so-called inflationary overhang. The level of

affluence in our society is enormously varied and this difference in wealth is growing much stronger every day to the benefit of those who earn more.

According to expert calculations, the inflationary overhang which is now approaching a level of one billion zlotys is in the hands of about 10 percent of society. At the same time, studies by the Chief Statistical Bureau [GUS] have shown that nearly one third of the public has low income that will not satisfy their elementary needs. I will not comment on whether such differences in income are fair or not nor will I analyze how this situation came into existence because that is a subject that requires a separate article in itself. This differentiation is a fact and our market policies should deal with it as it is.

Limiting inflationary gaps by raising the prices of common goods and services is not very effective in the light of the way in which incomes are rising because it does not reduce the amount of free money but limits the demand on primary articles that are in good supply. The inflationary gap can be reduced only by properly developed product offerings to the group of buyers with the "overhang".

A client with "overhang" usually has a house already equipped with appliances of the best quality our market can offer. He already owns carpets, a hi-fi, silver, a tea service and crystal. He has whatever clothing and shoes he could buy even if the selection was not too good. He also does not eat much more than he can from our poultry food market. On what would he spend money?

He would certainly spend money for his own home, for more modern and better appliances, for a high-quality automobile, attractive clothes, shoes and more varied well-made food articles, computers or video equipment. What else? It is something really worth considering.

However, aside from the problem of the financial surplus of the wealthiest persons, there is the other one of price barriers limiting the buying of the less affluent.

More Than Reduced Prices

For the seventh time, we have lowered clothing and shoe prices to improve their supply to those who could not afford them before. Reduced prices are a desirable thing but what else is needed is a market that is more open to the needs of people with less buying power. This means a correct policy on prices and selection and that entails simple and inexpensive furniture, simple and unadorned dishware, porcelain and glass and cheaper variants of clothing and shoes.

Along with the above, it is also necessary to reduce production and distribution costs. Production and distribution raise prices because of inefficiency, losses caused by poor quality, poor storage practices and inefficient organization of transport.

Another means of raising the consumption of the less affluent is to broaden the use of installment buying. Recent decisions have gone against this system but the list of goods worth selling by installment in the future is still growing. The possibility of installment buying is especially important when most households will probably need to replace old appliances with new ones. It must be added here that there are many necessary products such as washers, refrigerators and televisions that were only recently regarded as luxuries.

Problematic Standard

Our market has never been able to present a rich selection. However, in recent years, it has grown worse because it has offered a higher number of goods at a standard protected by government orders. This was justified when there was a general shortage of most goods and the public income was low but it has lost its meaning now that conditions have changed.

Government orders of this sort for food products have only contributed to the "grayness" of the consumer market. A production policy centered around the "average" buyer was falling more and more behind the real and growing differentiation in public income. Increasing numbers of people were falling out of the range of this policy because their buying power was either rising or falling and therefore diverging a great deal from the statistical average. Therefore, it is socially and economically important to better coordinate wage and market policy.

In my opinion, the market must be reconstructed before we attempt to equalize it. If we fail to do this first, we will have a market that satisfies no one even if we do increase the amount of consumer goods at a faster rate than we ever have before.

12261

CSO: 2600/678

SHORTAGE OF CHILDREN'S SHOES BLAMED ON SUBSIDY SYSTEM

Warsaw ZYCIE WARSZAWY in Polish 1 Oct 86 p 3

[Article by Krystyna Gasiorowska: "Barefooted Children?: Subsidies, But No Shoes?"]

[Text] Is there a reform? There is. Is there self-management? There is. Is there self-financing? There is, too. Subsidies? They, too. Then, what is the problem? The problem is that despite the holdings, there are no shoes for children.

Under the reform enterprises can choose between more or less profitable production. What they choose is not difficult to guess. Producing shoes for children, according to the producers is not profitable, because of the subsidies. Financial representatives helplessly shrug their shoulders.

How long will specialized plants avoid producing shoes for children? How long will the drag of the subsidies continue in its present form? How long will we have problems with buying shoes for our joys?

An Escape

In the Ministry of Finance they have shocking data. In 1985 the production of shoes for adults increased nearly 50 percent, mostly at the cost of children. In 1984 5.1 million pairs of shoes were produced, and a year later only 2.5 million. It is not surprising that children have nothing to begin walking in, and only every second preschooler owns new shoes this year.

Obviously, no honorable producer will admit that he intends to cease producing for the youngest! They explain that, given slight profitability, they will maintain production at the same levels and increase it for adults. They will accomplish this thanks to redoubled efforts and a newer machine park. Well, fiddle-de-dee. The truth is that they do not produce what is unprofitable.

This is all the more so since shoes are not included in the government commissions; the industry is included in the experimental self-financing program, and only the greatest profit is of any importance. And the best profit can be achieved by producing shoes for adults. They carry market prices, while children's shoes are regulated and the profit is predefined.

If it is exceeded, the producer faces serious difficulties. And who needs them? It is easier to produce for adults and be done with it.

The Destructive Power of Subsidies

Every one of my interviewees is a father, grandfather, uncle. They have the usual daily troubles. Especially when the family or friends apply pressure: "Get me some shoes." Thus the factory representatives say, let's make the best of it, better the subsidies as long as they are reasonable and as long as they do not produce losses for the enterprises.

Let us analyze it. Do the subsidies produce unexpected losses in the enterprises, or reduce the profit although they in theory are compensation for the artificially lower profits that make children's shoes cheaper in the stores.

During the current year, for example, the subsidies or the state's additional payments for children's shoes is 25 percent of the retail price. In order to cover the costs and achieve a profit, however, the producer demands 1,000 zloty for a pair of boys shoes. The parents pay 750 zloty for them in the store. The rest, or 250 zloty (25 percent of the retail price) is covered by the subsidy for the producer. But who really pays the producer the 250 missing zloty? Usually he does himself.

The reserve fund equal to 10 percent of the value earned by each enterprise is usually used to pay the subsidies. There are factories in which the reserve fund completely covers the difference between the production costs and the price of the shoes and we can say of them that they are subsidizing themselves. Sometimes the funds are insufficient, and then the producers apply for subsidies from the state budget.

In any case, the enterprises subsidize themselves as long as their own reserve funds last. According to the law on enterprises, this fund was to cover losses. "In this situation," the representatives of the subsidized factories say, "the subsidies are losses."

Besides this for children's shoes, as I have already mentioned, the prices are regulated and the predetermined profit margin which is much smaller than what can be earned for adult shoes which are sold for much higher market prices. In the Fosko Shoe Factory in Skarzysk, the profits are seven times smaller than the one in Chelmek, although they produce only half as much as the other specialized producers of adult shoes. They ask, why should our profits be smaller? Only because they produce for children?

Now What?

Sometimes considerable confusion is caused by changes in budget accounting. They know the blanket is too short, and when the money runs out, they demand the return of some of the subsidy from the producers. Thus, last year the shoe factories had to return 5 percent of the subsidy and this

year 2 percent. There is something wrong with these subsidies and we need to consider changes. We know that given the many problems, the producers withdraw from producing children's shoes.

In the finance ministry they explain that profits for enterprises producing children's shoes are increasing. In 1983 the profit was raised to 20 percent. But many had begun to resign from production, they reply in the factories. In December 1985 the profit was raised to 40 percent. But in the meantime the factories had resigned from the unprofitable production. In March 1986 profits were raised to 50 percent. But the majority of the models had already been put into production, and the new profit rates applied only to new models. Thus it is not surprising that the expected increased quantities did not appear. Besides, the producers must scream loudly for every increase, and before the finance ministry introduces the appropriate changes, an escape from unprofitable production occurs.

Obviously this entire rescuing of profitability is done at the cost of the consumer. The profit rises, the prices rise. And thus, for example, the average price of shoes for babies increased from 336 to 441 zloty in 1984-85. But production declined by half. What does this show? That the changes are made too late and do not compensate for the increased costs or even the losses of the enterprises.

The changes only come after much struggle. Thus in the factories they believe that they can and want to produce for children but on the condition that the finance ministry will watch the profitability of this production and introduce the necessary corrections earlier. In the ministry they claim that it is impossible. Analysis is made at the end of the year and only then can changes be made.

Between this Scylla and Charybdis of these fiscal interests our children should find their place. We probably all agree that children's shoes should be in the stores and not too expensive. In our neighboring countries beyond the Odra and the Vltava they are not expensive and the supply is plentiful. How do they do it? Perhaps we should see how and use their knowledge in Poland.

13021/9835

CSC: 2600/43

AIRLINE TICKET PRICES RAISED

Warsaw RZECZPOSPOLITA in Polish 15 Aug 86 p 5

[Text] As LOT [Polish Airlines] has informed us, an analysis of their operating costs shows an increased danger of financial losses on domestic flights and that they have accordingly decided to increase fares. On 1 September 1986, domestic fares will therefore be raised by an average of about 8 percent.

At the same time, LOT will introduce new types of fare reductions to its domestic flights. Disabled veterans, members of the Union of Fighters for Freedom and Democracy and teachers accompanying groups of schoolchildren or student groups will be able to make reservations and pay half fare. At the same time, pupils and students of intramural schools will have a reduction and 25 percent and the right to make reservations.

Regardless of the introduction of these new fare reductions, the old ones will still remain valid and therefore, children under the age of two years will be able to fly for free and children between two and 12 years of age will pay half fares and have the right to make reservations. Passengers older than 65 will pay only 25 percent of the normal fare while students, pupils and retired people up to the age of 65 will receive a 50-percent reduction on fares for free seats on a first-come first-serve basis. Travel groups (according to size and length of trip) can receive fare reductions of 15-40 percent.

All passengers can use promotional fares reduced by 700-1000 zlotys on all flights after 10:00 p.m. and on flights to Warsaw before 7:30 a.m.

Many passengers feel that the domestic fares are already too high. However, as our correspondent was informed by the director of the business department at LOT, Jan Micha, the cost of aviation fuel rose in the spring of this year from 16,000 zlotys per ton to 22,000 zlotys. Furthermore, because of its difficult financial situation, the Bureau of Air Travel and Airports introduced an additional airport charge of 100 zlotys per passenger. The increased fuel costs and added passenger charge have put LOT into a difficult financial situation. Its costs will go up even if it does not raise fares.

These explanations are only partially satisfactory and we must remember that the higher fares will dramatically reduce bookings at some airports. This is especially true of the flights such as Warsaw-Katowice or Warsaw-Krakow because the airline is losing passengers to the railways which have recently considerably reduced the travel time on these lines. The railways have in recent years been very deliberately competing for passengers with the airlines and hope to soon win over more passengers for its Warsaw-Gdansk line through the introduction of more super-express trains. It can be assumed that the railways will surely win now that air fares have gone up so much. This would lead to the shutting down of many flights because of low bookings and that would go very much against the interests of LOT. It is worth adding that despite the increasing speeds of passenger trains, most states' domestic flights are doing well because of correct fares.

12261

CSO: 2600/678

FISHING INDUSTRY PERFORMANCE 'NOT SUCCESSFUL'

Warsaw ZYCIE GOSPODARCZE in Polish No 37, 14 Sep 86 p 6

[Article by Jan Popiel: "An Impasse in Fishing"]

[Text] The first 6 months of this year have not been successful for the Polish fishing industry, both for coastal fishing and deep sea fishing. The fishing grounds in the southwest Atlantic where the major part of the deep sea fishing fleet has been located have yielded 57,000 tons of fish less than planned. The additional catches of octopi were also unsuccessful. Also in the Baltic 17,000 fewer tons of cod and 5,000 fewer tons of herring were caught than last year. It is true that 100,000 tons of fish or half of Poland's limit were caught during the first 6 months; however, it is unreasonable to expect to catch a similar quantity before December, for the summer and fall catches are less productive than the spring ones. Further, the great shoals of cod and herring have disappeared from the Baltic, and the Baltic fishermen have outdated fishing boats and equipment. Thus, it will not be able to catch and process the sprats and flounder, which have appeared in large numbers in the Baltic.

The impasse in fishing is not making life easier for Rybex which as an incorporated partnership since 1983 has represented all its member enterprises (Gryf, Odra and Dalmor) in foreign trade.

The partnership exports goods to nearly all Western European countries, the Far East, and Africa. It mainly sells kinds unpopular in Poland, like Octopi, mackerel, bluefish, and fish products that require advanced processing and bring greater earnings at lower export levels.

An outstanding item in Rybex's line consists of products from octopi, arms cleaned, skinned, trimmed and softened, octopus steaks, rings, strips, and shoulders. Dalmor of Gdynia provides them.

Octopi made up 50 percent of exports in 1982. Last \$50 million worth of them were sold; this year \$18 million. The basic markets are Yugoslavia, Spain, and Italy. Last year sales of pollack caviar were begun. Thanks to contracts with Japanese firms a better method for removing the eggs from these fish was developed and already this year \$8.5 million worth have been sold. The Japanese have paid \$6,000 a ton. The Japanese also purchase Baltic herring eggs, and the Swedes, cod eggs, which they process into

caviar pate. Filets of pollacks, pike, and bluefish are also exported. Not much Baltic fish is sold, although last year cod was sold to the FRG, France, Great Britain, Denmark, and the United States for \$32 million. Rybex's products have been enriched also with fresh water fish: trout, perch, and eels.

The value of the exports has grown systematically. In 1984 about \$12 billion of fish and fish products were exported, and last year \$14.8 billion, and this years plan calls for \$17.5 billion. Although the 6-month performance accounted for 58.5 percent, there are fears that it will not be fulfilled.

Rybex has expanded its normal export activities by cooperating with foreign partners. The purpose is to supply the domestic market with the broadest assortment of fish and fish products possible. Fish are exported in exchange for licenses for our fishing fleets in regions where kinds of fish desired on the domestic market appear. Fresh fish are purchased from foreign fishermen, which are processed on Polish vessels. Marinades and other fish products are produced, using materials from our own catches, using recipes and spices supplied by the partner and the product is divided between export and the domestic market.

Rybex also imports fish and fish products. In 1985 it imported 148,500 tons of fish and products or more in quantity than exported. The imports, however, had less value than the exports. A contract was signed with the USSR for shipments of 17,500 tons of canned fish, including sardines and mackerel, to be paid for by barter with other products. As payment, maintenance work on fishing ships, shipping services, and shipments of fresh sprats were offered. The first purchases from hatchlings of fresh water fish were made for breeding centers in Poland, expanding the assortment and kinds of fish breed in our fresh waters.

In exchange for food goods which the partnership has in abundant supply in season like fresh sprats and for some canned fish as well as processing services and cold storage and spare parts for processing equipment, it imports fish soups, salads, marinades, filets in various sauces, packaging for canned fish, whole frozen fish for processing and spare parts for processing equipment from the GDR, which are not produced domestically. The total value of trade with the GDR for 1986 will exceed 1 million rubles.

As part of its imports Rybex supplies the domestic market with fish flour and individual and multiple packaging for export needs. During the current year the purchase of 30,000 tons of flour for \$15 million and packaging for \$1 million is planned. The contract with its Dutch partner has proceeded well, and in exchange for the fishing trawler built in Szczecin, the Dutch will provide 10,000 tons of herring.

The quantity of resources for import is limited thus the system of compensation in Rybex's operations. In Iceland last year herring were purchased as part of Navimor's transaction in exchange for a ship hull.

Decapitalization of the fleet, the systematic scrapping of ships built in the 1960's and 1970's, will prevent the catch size from growing in the near future. It must, however, not decline. Thus, the principle of economic and organizational cooperation with the fishing enterprises, thanks to which they have increased their interest in foreign trade, is welcome.

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CSO: 2600/43

BRIEFS

ALGERIAN, FRENCH TRADE--Andrzej Wojcik, minister of foreign trade, and Brahim Aiss, the Algerian ambassador, discussed selected issues of economic cooperation between the two countries and the possibility of intensifying Polish and Algerian trade in the future. Also, A. Wojcik and Claude Harela, French ambassador, conducted talks on economic and trade cooperation between their two countries and the prospects for developing their relations. [Text] [Warsaw RZECZPOSPOLITA in Polish 1 Oct 86 p 5] 13021/9835

SHIPS FOR USSR--On 30 September at the Lenin Shipyards of Gdansk the flag was raised on the last of 10 ships of the RO-RO-series built for a Soviet shipping firm. It was named the "Akademik Gorbunov." It is the ninth ship put into use at the Gdansk Shipyards this year. The next one is supposed to be a crane ship, also for the Soviet Union. ["10 Ships of the RO-RO series for the USSR"] [Text] [Warsaw ZYCIE WARSZAWY in Polish 1 Oct 86 p 2] 13021/9835

CSO: 2600/43

JARUZELSKI 'OFF' RECORD' COMMENTS IN ZIELONA GORA

Zielona Gora GAZETA LUBUSKA in Polish 17 Sep 86 p 3

[Text] During a break in late-morning sessions of a local conference, First Secretary Wojciech Jaruzelski was approached in the conference lobby by delegates, invited guests and Pioneers from the Western Territories who wished to hold brief conversations with him. Here are some fragments from some of these talks:

Jan Blaszczyk: Comrade Secretary, I was not leased by the 10th Congress. At the municipal conference in Zielona Gora, I brought up the problem of the dishonest principles used in the policy on private businessmen and state employees. I work in the construction industry and I do not think that we should earn only a fifth of what the private businessmen earn.

Wojciech Jaruzelski: Good, but how do the private businesses manage to be productive enough to earn that much money?

Jan Blaszczyk: I think that the entire structure is built up on dishonest principles. The value of one work-hour of a craftsman amounts to nearly half of a whole work-day for the employee of a state-owned factory. That is what is so maddening.

Wojciech Jaruzelski: That is of course improper but it is also a question of taxes, prosecuting the dishonest and introducing sensible restrictions. In addition, there is always the fear that we might dump out the baby with the bathwater.

Weronika Wysocka: I wish you would always wear "Romeo" shirts.

Wojciech Jaruzelski: Thank you. I think I will buy one.

Weronika Wysocka: How is the supply in Warsaw shops?

Wojciech Jaruzelski: There are no longer any problems.

Weronika Wysocka: We too are managing somehow but there are problems. 75 percent of the "Romeo" shirt production goes into exports to capitalist countries.

Wojciech Jaruzelski: And where do you get the material?

Weronika Wysocka: Mostly from capitalist countries. This is a very labor-intensive form of production, especially when we make women's shirts because they like ribbons and beads.

Wojciech Jaruzelski: And especially now now everyone is seeing the Australian film with Miss Stephanie. That must be a real disaster for men.

Lucja Klos: Secretary, I would like to convey to you the best wishes of the Agricultural Housewives' Circles.

Wojciech Jaruzelski: That is a wonderful organization.

Lucja Klos: As the chairperson of the Provincial Council of the Rural Housewives' Circles, I wish to assure you that we are determined to produce as much as possible but we are having problems with coal. We have to drive a lot to get that coal but we as rural women wish to help the farmers.

Wojciech Jaruzelski: We will soon be discussing that problem which is in general a very difficult one.

Lucja Klos: That's good but we also wanted to point out that the women are working very hard from sunup to night.

Wojciech Jaruzelski: Miners are also working very hard and on weekends too.

Lucja Klos: But we feel that our agricultural work is worse than the work in the mines.

Wojciech Jaruzelski: Yes, but here you have fresh air while the air below in the mines is worse. Please give my best wishes to rural women. We really must appreciate their work.

Jan Mackowiak: I have seen many things in life and have also survived a lot so I do not see any cause for pessimism today. To me it seems that many good things are happening even if others fail to see that.

Wojciech Jaruzelski: Communists cannot be pessimists. Even when things are hard, we have to look realistically at the future.

Zofia Haracz: We wish our border towns were not treated so unfairly and that they were not at the end but at the beginning of Poland.

Wojciech Jaruzelski: These towns are our calling card to Europe. I have always had nice memories about Gubin as that is an army town. You are not complaining about the soldiers, are you?

Zofia Haracz: No, they help us a lot.

Wojciech Jaruzelski: Please greet everyone there from me.

12261

CS0: 2600/88

PZPR CC SECRETARY REVIEWS CONGRESS ACTIVITY, PARTY STRENGTH

Warsaw TRYBUNA LUDU in Polish 23 Jul 86 p 3

[Interview with Henryk Bednarski, PZPR CC secretary, by Piotr Rządca: "Time for Realization"]

[Text] [Question] Someone has quite correctly noticed that the party has no vacations...

[Answer] Time passes too quickly. After all, that is the logic behind the chief idea of our program -- accelerating the growth of the country. At the 10th Congress, we established the fact that the program of socialist renewal and the line of agreement, reform and struggle had all proven themselves in practice. However, the progress achieved in the economy and social and political life has still not met the measure of our intentions and the public's expectations.

We therefore made a thorough analysis of problems areas such as our foreign trade difficulties, our obsolete industrial structure, continuing bad ratios between labor, wages and prices and the persistent public feelings of suspicion and passiveness, not to mention signs of sluggishness and bureaucracy in the resolution of urgent social problems.

The principal conclusion reached in this analysis is that we must find ways of acting more effectively and efficiently.

[Question] For that reason then, should not all echelons of the party be given closer attention?

[Answer] Of course. I would like to say that both the pre-congress discussions and the congress documents devoted much space to the primary party organizations [POP] and it was determined that it is necessary to strengthen their position and their influence over their immediate social environment. We decided that one of the upcoming Central Committee meetings would have to be devoted to the POP's.

At the present time, the most urgent task facing the POP's as all other party organizations involved in ideological work is to bring the achievements of the 10th Congress closer to the broader masses of society, party members and non-members alike. After all, what is important is that the ideas of the congress's political program somehow find their way into public thinking, inspire progress and encourage innovation. They must create an ideological basis and a source of inspiration for intensified efforts in all areas of our political, social and economic life.

We must therefore begin immediately to prepare ourselves for the start of the new party training year in which we would like to devote four meetings to close study and discussion of congress documents. We expect to be able to familiarize youth with the contents of these documents during vacations and therefore give them some idea of their chances to prove themselves a patriotic generation. It is also very important to intensify our theoretical thinking on such problems as the new concept of the leading and guiding role of the party and the strategy to be taken to achieve faster social and economic growth under the present conditions in Poland.

[Question] Let us try to specify the issues in which every POP can make a meaningful contribution to popularizing and realizing the congress's resolutions...

[Answer] I would start by saying that the decisions of the 10th Congress should help to strengthen the party's ideological cohesion. This means that every POP must work out a shared and united understanding on the meaning of the congress decisions and what responsibilities these decisions have placed on them. They must become familiar with these documents and decide what to do by comparing their own situation with what the documents show to be the intentions of the entire party.

We stated clearly that we are rejecting all signs of bureaucratism and that we wish to act using political methods which include increasing the activity of party groups within representative organs, self-government and unions and public organizations. This means that the most important method of action for the POP's is to explain party policy, convince others of its correctness, agitate and to inspire a lasting dialogue with non-party members.

We wish to consistently realize the principles of personnel policy that have found strong expression in the new provisions of the PZPR Charter. This requires that the members of every POP be familiar with these principles and that we promote the professionally, morally and politically best candidates regardless of their party affiliation.

We must make progress in ideological work. The more every POP and every party member as an agitator among his colleagues feel responsible for that progress, the greater it will be. It is, of course, obvious that creating the conditions necessary for accelerating the growth of our country by raising socialist political awareness requires political innovation, the rejection of

old an obsolete forms of propaganda, a continuation of the process of broadening access to information and enrichment of the arguments we use to plead our cause.

We wish to attain our goals in the spirit of national agreement by strengthening socialist democracy. However, where in previous years we made political agreement our chief cause, what is now most important to us is achieving cooperation and agreements to do good work. Let us look at some specifics again.

The party has expressed its decisive support for broadening worker participation in the management of enterprises as one form of socialist democracy. The task of the POPs is therefore to counteract any attempts to abuse the rights of worker self-government, to strengthen their important, help eliminate any observed shortcomings and the bring worker interests in line with the interests of the general public.

The congress approved the party's current policy on the restored trade unions. We want to see them have some influence over the state's social and economic policy and protect the interests of working people. It is from the party members active in these unions that we expect to see the inspiration for the sort of activities that will encourage increased production, thriftier management and an improvement in work discipline.

Just as with other union organizations, the party wishes to fulfill its proper role in relation to the associations of private farmers by expressing and defending their interests and at the same time redoubling its efforts to encourage greater agricultural production. The rural party organizations have an unusually important part to play in this work. They must promote progress, modernization and an advance in the level of civilization in rural areas, expand the party ranks and conduct active training and ideological work among farmers.

[Question] At the 10th Congress, a a great amount of time was devoted to the question of social justice. Such justice is realized not only by the decisions of the central government but in an equal measure by the social relations within every place of work and in every institution and community and that in itself is something that depends on the local political and social forces...

[Answer] Of course. Delegates have unanimously spoken out on the need for consistent observation of the principle that each will receive according to his work. It was pointed out that this principle has not been promoted by the wage systems used up to now which has continually failed to make the proper connection between earnings and the quantity and quality of work. This is also seen as one of the causes of our problems today. If we are to more quickly streamline our wage systems, it will be necessary for the central government to act and the party organizations at places of work will have to exert constant pressure to see such action taken.

The introduction of methods of valuating work, job certification, is also an important problem because this is not just an economic problem but also one of public ideals. We also spoke about means of accelerating scientific and technical progress in which it is necessary to remember class motivations. To what am I referring? Mechanization, automation and robotics should also be introduced wherever the working conditions especially burdensome, dangerous and unhealthy. These needs are most obvious in specific enterprises.

We are for the broader use of brigade organization of work because it allows more consistent realization of the principles of social justice and gives workers greater opportunities to participate in the management of their place of work. This too is another field of action for the party organization.

[Question] Let us take another look at internal party work. Here as well are innovations needed...

[Answer] Wojciech Jaruzelski said: "'The basis of all bases' and the synthesis of everything that we decided at the 10th Congress is the need for efficiency. It is this requirement for efficiency that will be used to evaluate the quality of our work". We must therefore search intensively for new forms and methods of party work and also employ modern organization and management techniques. We must combine high organizational efficiency and effective activity by the party organizations within their communities with a strengthening of all of the virtues of ideological cohesion among the ranks because this is what promotes the growth of the political movement that is our party. The basis for this will be formed by the plan for realization of the congress's resolutions and that plan has already been discussed at the second plenary meeting of the PZPR Central Committee.

[Question] Thank you for the conversation.

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PARTY PERSONNEL POLICY DECISIONS REVIEWED

Warsaw TRYBUNA LUDU in Polish 14 Aug 86 p 3

[Article by Anna Pawlowska: "Following the Politburo Resolution on Personnel Policy: Not a Game of Musical Chairs"]

[Text] At the 9th Congress, personnel policy was the object of total and even for that time, sharp criticism. There was no lack of reasons for such criticism: the historical moment had ripped away all masks to mercilessly reveal what lay beneath. And this is what had given the party its desire to create safety mechanisms that would eliminate any future "immunity", autocracy and cliques. This wish was accompanied by the illusion that this goal can be automatically achieved by a new law or resolution.

Realizing the obligations placed on it by the congress, the Central Committee of the last term became the author of the "Chief Premises of the PZPR Personnel Policy". I think that this document is one of the most important achievements. In this delicate matter, there have emerged clear and intelligible norms on the open nature not only of decision-making but also of the conditions and reasons behind them. This openness would give the primary party organizations a stronger voice in personnel decisions.

Confirmation of Principles

The 10th Congress met nearly three years ago to approve this document. The method of its realization had again become one of the main critical threads of congress discussion. Shortly before the congress in May of this year, the Politburo issued special recommendations on the implementation of these principles up to then but they too were not the best example of personnel policy in practice. More clearly than 5 or even 3 years ago, these recommendations revealed the obstructions to rational and fair action on personnel decisions. There is nothing surprising in this. As the people say, it is all a "game of musical chairs", a sociologist would say that certain larger or smaller groups of people control everything and a party member would say that it is an issue of the frequently-decisive instrument of the party's leadership within the state. This is a matter for people of ambition and the

ability or inability to criticize themselves and an issue of interpersonal connections and group interests, subjective likes and dislikes and of rumors and talk with a frequent lack of any elementary sense of social coexistence.

The 10th Congress did not revise any of its adopted personnel policy principles and on the contrary, it confirmed them by criticizing practice. Therefore, one of the post-congress tasks is further work to eliminate improprieties from practice and bring it closer to principles.

Three Chief Directions

For fundamental reasons, three main directions for acquiring personnel have moved to the forefront. The first direction, that of the working class, is a direction that is natural to our political system. The second direction, the non-party members, would guarantee the integrity of a national compromise and the third direction, the young generation, would guarantee the future. No one needs to be convinced of the fact that all three of these groups have too seldom and too cautiously been considered in personnel policy.

Nothing will happen in and of itself. Aside from overcoming prejudices, old customs, strange fears, it is necessary for the workers themselves to create the necessary conditions for their own advancement and the key to this is education. The traditional education which gives young workers real access to secondary and higher education and the system of various forms of compulsory worker education must find new forms better adapted to modern needs. However, on taking a deeper look, there is no way one cannot see that a worker with professional rights does not have any motivation to spend more time learning. He may not have that motivation now but should it not be otherwise?

I was recently quoted the dialogue taking place within the administration of a certain institution to which the government had sent a new employee for a rather responsible position. "What do you know about him?" "Is he going to be good for anything?" "Calm down. He must be a great specialist. He isn't a party member so he must be really good to have gotten so far." That is unfortunately the truth. The bright side is that even a non-party member can hold important functions and the dark side is that qualified people really have to fight to get somewhere and are not naturally promoted. In frank conversations, comrades explain themselves saying: "He is a very good and valuable person but if there is any problem, he cannot be brought to heel using party discipline". Perhaps that is true but why is it necessary to assume that a "very good and valuable person" will have to be "brought to heel using party discipline"?

Young people are for so long held to be "too young" that they become "too old" and that is no joke. From time to time, one hears it said that someone still under 40 has been promoted to department director. This "young person" will be too old to grow into any higher positions of authority. Some say that young people do not want advancement. That may be so but the older persons also do not always want to advance because the wage systems in management are

often no incentive for promotion. In addition, young people are not rushing to take a higher position when they know or feel that they will be badgered and treated like rivals there.

Mechanisms and Resistance

These circumstances are only weak signals of the difficulties that must be overcome to bring personnel policy into line with principles. Therefore, the mechanisms that can bring this about become all the more important. The party system of personnel evaluation and recommendation is fundamental and irreplaceable. It is working better and better and more party organizations and instances properly understand their role but it cannot be said that this is true everywhere within the party or in the approaches taken to all personnel problems. Personnel reviews should help stem the loss of good people and end the toleration of those who do not keep up with their responsibilities. Such reviews have already been formally established but they are still subject to an enormous amount of formalism and superficiality. Competitive job placement is certainly being carried out too slowly and cautiously and the most weakly instituted mechanism is certainly the principle of job rotation and transfer. The resistance to this is enormous and in nearly every case in which it has been used, people argue strongly against it. At the same time, every such transfer seems to be clothed in the most ambiguous language possible. You can promote someone even dismiss him for various faults but to transfer him "for no reason"? No one believes that the transfer is an innocent one: "He must have been up to some mischief and they are trying to cover it up". People still remember the old merry-go-round and the magic circle of nomenclature with its inviolable clique arrangements. There is a thorough confusion of terms between profession (such as engineer or mechanic) and job (such as company director) and furthermore, the jobs all go to the most prestigious professions. We have lost sight of the natural phenomena caused by job petrification such as routine, fatigue, loss of the ability to react in a fresh manner and longing for direct professional self-realization. It has not been perceived that long-term "personnel stagnation" gives rise to arrogance of authority, conservatism and personal "connections". The popular perception of this will not change as long as nothing is done within the party.

However, there are mechanisms of personnel policy that can be instituted outside of the party or state apparatus. An example of this is the selection, organizational status and setting up of personnel services in enterprises and institutions. However, such services are too often just rubber stamp organs with no powers of their own. Above all, another such mechanism is also the elimination from existing state, department and factory regulations of all provisions that contradict the principles of the personnel policy or any loopholes that will allow those principles to be sidetracked. The approaching review of organizational structures and the job certifications should also serve us well in bringing our personnel policy more in line with the party's principles.

This is not a game of musical chairs but an issue of the efficiency, pace and depth of the changes we call socialist renewal, of properly managing the great resources in human ability, skill and ambition and thoroughly humanizing relations in labor and government.

PZPR FACTORY ORGANIZATION MEETING STRESSES IDEOLOGY

Warsaw TRYBUNA LUDU in Polish 4 Sep 86 p 2

[Article by Andrzej Gesing: "Criticism May Not Be an Occasional Guest in Party Activity: Plenum of the Lenin Steel Mills PZPR Committee"]

[Text] (Own information) On 3 September, the nation's largest PZPR factory organization held a plenum devoted to the new systems of political training. The meeting was chaired by Kazimierz Miniur and First Secretary of the Krakow Municipal PZPR Committee Jozef Gajewicz was also present.

It was recommended to the party aktiv that it accept the modified system of party training that assumes the popularization of Marxism and Leninism as the basis for social and economic practice, broader reliance on ideological and propaganda activity in the history of the Polish and international worker's movement as well as better preparation of the party for direct organizational and agitation work under an intensified ideological struggle.

Every form of training must strengthen the party's ideological and political unity and this theme was the repeated credo of this meeting.

Andrzej Curylo, first secretary of the PZPR committee in the technical directorate, pointed out the need for better organization of the propaganda resources necessary to this goal and for modern audiovisual equipment.

The meeting also stressed the need for earnest analysis of achievements and self-criticism. He also stated: "Nothing can be started from scratch nor can anything harmful be accepted. It is our attitudes, work and actions that will determine what it is that socialism serves and strengthens".

During the plenum, the first secretary of the factory committee, Kazimierz Miniur, asked his comrades to relive him of his position so that he could take up other political work. The plenum accepted his resignation and elected as the new first secretary Stanislaw Baranik, a Sejm deputy and foreman in the steel mill's automation department.

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RANK-AND-FILE VOICES AT ZIELONA GORA PZPR CONFERENCE

Zielona Gora GAZETA LUBUSKA in Polish 19 Sep 86 p 3

[Statements presented during the floor debate at the Zielona Gora PZPR Voivodship Committee Reports and Election Conference held on 16 September 1986 in Zielona Gora]

[Excerpts] Andrzej Sieradzki, I secretary of the Zielona Gora Municipal PZPR Committee: In the speaker's opinion, one has been able to see in recent years greater commitment among businesses to work on behalf of the community and city. For example, the start of construction on a concert and sports hall in the Wzgorze Piastow neighborhood is imminent and will involve the active participation of the city's places of employment. In the party too, recent times have been characterized by renewed activity and great discipline among its members and organizations and one measure of this is the growing number of new party members. However, in analyzing the growth of the party ranks, one may see that not all of its organizations are taking on new candidate members and this denotes that not all are working with equal effort.

During the course of the community meetings that A. Sieradzki attended both before and after the congress, there were many questions about the new charter provisions. The delegate stated that it was everywhere stressed that on the one hand, the line of the 9th Congress had been continued while on the other hand, the recommendations and proposals presented throughout the entire previous term were also considered. Attention was directed toward the greater precision of the charter regulations.

The documents also including provisions on personnel policy. In reference to these, the delegate stated that in the city's organization and in its work with personnel, there is still a long hard road to be taken. During the last term of office, directorial personnel was reviewed twice and as a result of that review, one may say that some of the directorial personnel tried to avoid working on current problems and was insufficiently involved in public life.

Edward Kwiecinski, senior foreman at the Prodwodrol Plant in Sulechowo: The delegate shared some of his reflections from the community meetings that he

attended both before and after the congress. He stated that the conversations with young people were the most interesting because they were more perceptive, asked more difficult questions and expected concrete answers.

At the Prodwodrol Plant, young workers are given the opportunity to simultaneously learn how to be a metal-worker, welder and painter and the benefits are double: the worker feels more strongly attached to his place of employment and the plant always has available whatever specialists it may need at a given moment.

E. Kwiecinski said: "As party activists, we must work more aggressively with youth. If we want to get ahead in our party work, we should try to coordinate all echelons and organizations and the motive force behind that should be a good party secretary".

Speaking about his own place of employment, the delegate stated that the only way the company can grow is by more conservative materials management.

Jan Kumanowski, farmer the village of Widzimie Stare in the Wolsztyn community: "I read the resolutions of the 10th Congress with great satisfaction because they devoted much space to agricultural problems. However, resolutions themselves, even the wisest ones, are not the same thing as production or harvests. We have engineers and other specialists but what good has it done? Most often, the product of our national wealth has been licensing. And I continually cannot understand why a tractor produced under a western license has to somehow be better than an Ursus. Someone really sweats blood for us to actually succeed in producing some kind of machinery and equipment and selling it abroad because our domestic version of a product is humble, awkward and lusterless while the export version is elegant. This is something I cannot and will not learn to understand.

"However, am I not just a bumpkin who sees everything painted black? Not at all. After all, almost every rural family lives in a villa. They have beautiful houses with central heating and maybe that is why we are having some of the problems we face today such as our coal shortage. That is the cost of progress".

Wiktor Fanajlo, chairman of the Zielona Gora Provincial Union of Polish Socialist Youth [ZSMP]: "We have a rich training program and logical theoretical principles for our educational system. However, in its every move, life itself shows us other truths such as the truth of money. We cannot raise our children properly when our values swing back and forth in this manner. The double standards are too obvious for our children to fail to notice them.

"The ZSMP holds no trumps. Sometime during the 1970's, we aroused consumer appetites. Today our official educational system is still in poor shape and this is just the situation our political opposition wants. They have both the money and the attractions. They can afford to organize expensive trips and

buy expensive equipment that the ZSMP cannot even dream about. It is a shame but we must finally come to understand that in this age of computers and video, even the best teacher cannot influence his listeners.

"We must unite our educational system and give ourselves an equal chance of gaining the interest and enthusiasm of youth and we must work seriously to achieve this".

Zenon Sibilski, director of the Zary Regional Center for Party Work: "For 5 years now, I have been working in what people call the party apparatus. In introducing me to the secrets of this work, my predecessor warned me to above all guard the authority of the party. During the meetings of the center's PZPR organization, this problem was often the object of fighting.

"People say 'What can the party do now since we have already so many times said that...' and then they usually gave an example of what we had been saying. I submitted my own evaluations and explained just what can and should be done by the party organization. Unfortunately, too many of the primary party organizations too seldom look at the party charter and there obviously are some unintelligible things there. It is only in hard times that party members leave the party. That was how it was during martial law and during the elections. On an everyday basis, this turnover looks bad but it also has its bright sides.

"What really irritates me is the usual babble: 'Doctor this, chairman that'. One hears the same invocations in a room full of just party people. As soon as someone uses that proper party form of address, 'comrade', things suddenly get very formal. This is a phenomenon that we must fight very strongly".

Wiktor Gruca, I secretary of the Zastal PZPR Factory Committee: "The firm in which I work is the country's largest producer and exporter of railway rolling stock. This year, we will be selling 11 billion zlotys worth of stock to foreign buyers. It can be said outright that the economic reform "persuaded" us to intensify our export trade. We are a strong participant in the Kolmex foreign trade partnership and have taken part in all stages of the work to negotiate contracts with the buyers of our rolling stock. We try to do this very carefully and we have actually succeeded. Our export trade is really profitable and good for the national economy. For our factory itself, things are otherwise and for the workers, still worse.

"The blocking of foreign currency deductions and other administrative hindrances have really complicated our lives and I can even say that they have held us up in some really profitable contracts because they weaken our market power. Everyone comes out the loser, the country, the partnership and we. After all, it is foreign trade that gives the firm an opportunity to build up its growth capital.

"We cannot understand why just a couple of months ago restrictions were placed on the relationship between export trade and employee wages. Again, they are

somehow trying to suggest that we must expand our export trade without providing our workers any monetary incentives. Something must be done about this immediately.

Marian Cudak, foreman in the Kromet factory in Krosno Odrzanskie: Marian Cudak has been involved in the problems enterprises face under the conditions of economic reform. In his opinion, establishments that have worked well and had good results are now the losers. This is especially obvious in the area of wages. There are great disproportions between the wages in different factories. The economically weaker ones now have better conditions and this is often reflected in their higher average wages.

Therefore, good workers are leaving better organized factories for those less well-organized because the pay is better. Talk about more productive work usually goes ignored. That is why some fear that job certification and review will not produce the desired results.

The speaker also expressed his doubts about how fairly income is being distributed. For example, a large number of people are getting rich by conniving and speculating to exploit weaknesses in our economy.

In his opinion, party instances and organizations are sometimes helpless to carry out a proper personnel policy. It is hard to use sanctions against guilty persons holding management positions even if they are party members because they use the provisions of self-management to defend themselves.

Jan Drozd, machine operator for the Zagan line of the Polish State Railroads: With great satisfaction, Jan Drozd informed the meeting about the reconstruction and modernization of the Zagan line that its party organization has struggled so fruitlessly to achieve for long years. At the present time, the lack of proper rolling stock has become a problem and in winter, there have even been passengers cars without heating.

Speaking about railroad economics, he proposed that a study be made on the feasibility and profitability of operating passenger trains on certain lines. It is sometimes the case a train may carry no more than 20 passengers on a 40-kilometer route.

He devoted much attention to the specific nature of party work and especially that in places like the Zagan line and expressed his opinion that party organizations have had little success in working with youth and youth organizations. He stated that the party's work with youth should reject the use of ready-made schemes and meaningless slogans.

12261

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'LABOR CONTESTS' IDEA RENEWED, DEFENDED

Warsaw RZECZPOSPOLITA in Polish 2 Sep 86 pp 1,2

[Article by [wycz]: "The Socialist Competition Movement Has Been Reborn: Miners Have Adopted a Splendid Idea"]

[Text] (Own information) It is unfortunately often true that material incentives alone are not enough to create the conditions for better and more productive work. People also expect public recognition for earnest and above-average work. It is often these moral incentives that have an enormous influence on discipline and the quality of results of work at places of employment and on a broader scale, in the entire economy.

The idea of social labor contests has, in spite of their regretful experience in the 1950's and later, not lost any of its high value. In the program declaration adopted by its 1st congress, the Patriotic Movement for National Rebirth [PRON] has called out for the renewal of these contests. The declaration stated that these contests are especially important in promoting respect for good work and its benefits.

More than two years have passed since that declaration and although the movement for socialist contests has still not become that widespread, it has still achieved a leading position among some professional groups. One such group is pit coal miners.

The Mining Commission of the Katowice Provincial PRON Council and some of the famous miners that are its members such as Czeslaw Zielinski, the brothers Rudolf and Bernard Bugdolow, Czeslaw Ruszer and Franciszek Apryas have taken up a campaign to popularize the professional achievements of the most famous Polish miners.

That campaign has left its echo. The first to react were youth who through the Union of Polish Socialist Youth [ZSMP] first initiated the creation of groups and then the socialist labor first brigades. The lead was taken by the ZSMP organization at the Halemba Pit Coal Mine. The youth initiatives were

supported by that mine's PRON council and were joined by the trade unions there.

Last year, the movement gained momentum, above all as a form of competition between individual brigades in different mines.

According to information presented by the Katowice Provincial PRON Council, the contest has currently attracted the participation of more than 900 pit coal mining brigades and about 150 brigades in mine-work establishments [zakłady robot gorniczych].

It has been estimated that at the present time, more than 31,000 workers are participating in the pit coal mining labor contests. Some mines have decided to compete with one another. At the beginning of August of this year, 26 mines took up this form of competition. At the present time, only moderate results have been achieved.

The initiative had its start among brigades. The fully voluntary nature of the contests which are under the patronage of PRON and the ever-growing participation of workers give rise to expectations that the movement has found its natural foundation for growth.

12261

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DISCUSSIONS CONTINUE ON LABOR CODE REVISIONS

Warsaw RZECZPOSPOLITA in Polish 3 Sep 86 p 3

[Article by [jea]: "Specialists Speak Out on Labor Law Revisions"]

[Text] (Own information) The work is continuing on the revision of labor law. The qualifications commission appointed by the chairman of the Council of Ministers has already finished the first stage of its work. Meanwhile, the Sejm has received a government draft for a law on collective bargaining. The changes and additions proposed by the commission were formulated under very heated debate and the draft is also the result of a difficult compromise. What then are the problems introduced by the revision of this law which is the subject of vital interest to so much of our society? This subject was discussed on 2 September at a special conference organized by the Academy of Sciences Institute of State and Law.

Our attempts to revise the law have taken place during a period of lively changes in labor law throughout the world and the direction taken by these changes can be reduced to a common denominator. As Docent Doctor Habilitatus Maria Matey states: "To simplify things to their utmost, we can say that tendencies of the changes in labor law in the socialist countries are aimed at broadening the importance of worker representation and strengthening the labor laws while in the capitalist countries under the influence of a wave of neoconservatism, we are seeing the deregulation of labor law and the weakening or sometimes even the total decline of the institution of industrial democracy".

According to Professor Doctor Czeslaw Jackowiak: "Discussion of the changes in our labor law should be preceded by reaching some solution on the dilemma of what model the law uses because the law must correspond to the character of social and economic relations and to put it as briefly as possible, it must also match the model used by the national economy. At the same time, there are still too many vague points in the realization of the principles of economic reform. An example of this rather fundamental discrepancy is the draft's proposal of a centralized model of collective bargaining which stipulates some restriction in the role of decentralized sources of law

differentiating between the rights of various worker groups and which in turn disrupts the economic reform's principle of decentralization. These and other discrepancies lead one to conclude that it would be appropriate at this time to just purely and simply upgrade the labor code in order to bring its provisions into line with changes in the trade unions, worker self-management and supervisory organs".

Attempts to so narrowly upgrade the labor code attest to the danger that ineffective and improper decisions will be made. This is especially true of changes aimed at enhancing the effect of law on work efficiency. "Some proposals," stated Professor Doctor Habilitatus Zbigniew Salwa, "reflect excessive faith in the efficiency of various sanctions as a panaceum for overcoming or at least restricting the negative effects of employment problems".

The discussion revealed what sort of serious legislative problems must yet be solved by law-makers.

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PROSECUTOR REPORTS ON ANTICRIME EFFORTS

Warsaw RZECZPOSPOLITA in Polish 3 Sep 86 p 3

[Text] On 2 September, the office of the Prosecutor General discussed information on the realization of the 10 May 1985 law on special criminal responsibility. It was stated that the passing of this law by the Sejm was the result of comprehensive assessment of the danger of the state of high criminality in 1981-85 and was the latest sign of how consistently is being realized the policy of fighting crime and the social pathology that causes it. It was stressed that a tendency for a drop in crime had continued in 1986 and that this was brought about by correct realization of the law on special criminal responsibility.

The realization so far by the Prosecutor's Office of the provisions of the 17 July 1986 law on special proceedings against the perpetrators of certain crimes was also evaluated. It was emphasized that on the strength of this law, the presently-used prosecution policy was confirmed as still another legal expression of the stratification of criminal responsibility. The realization so far of the provisions of this law have been satisfactory and produced the expected results.

There was also discussed the preliminary tasks to be fulfilled by the Prosecutor's Office in establishing the institution of a civil rights spokesman. The importance of such an institution in fulfilling the constitutional and governmental responsibilities of the Prosecutor's Office was emphasized.

Opinions were expressed about the draft of a report by the prosecutor general to the Council of State on complaints sent to the Prosecutor's Office during the first half of 1986. It was stated that the number of complaints had dropped during that period and that the amount of time taken to address these problems had been reduced.

12261

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ACADEMIC DEFENDS SOCIALISM IN REVIEW OF 'MORAL BEHAVIOR'

Warsaw ZYCIE WARSZAWY in Polish 16-17 Aug 86 p 3

[Article by Zdzislaw Cackowski: "Zones of Morality"]

[Text] In contemplating the sources of demoralization and the factors that give rise to morality, it is necessary to look beyond morality itself. What are the origins of morality? I will answer that outwardly-naive question in two points.

Second, and yes I am starting with the second point, morality has its origins in morality. The higher the moral culture of a given society, the greater the moral sensitivity of its members and the easier it is to cultivate this morality and moral sensitivity. With a person of high moral sensitivity, it is enough to just tell or teach him that something is still a value for another person in order for him to protect and defend that value. If the contrary is true and a given society's moral culture is low, then the individual's moral sensitivity is also low and moral education using means of morality is of little value.

First, morality has extra-moral origins in human life and activity. The most important extra-moral forms of regulating human behavior are economics, law, religion and custom all of which rely upon external sanctions to control human activities.

1. An example of an economic norm is: "Do this or that and you will have economic (material) satisfaction and if you don't, you will 'lose your pants!'". If a minimum of rationality, consistency, earnestness or even honesty in the social application of this norm is obvious to all, if such behavior is beneficial and opposite behavior brings losses, then as time passes, this norm will be followed regardless of any material sanctions. An economic norm then assumes a different character and begins to function without sanctions and becomes a moral norm which is obeyed because of the good (social or individual good) that it protects.

If, on the other hand, the system of economic norms does not have a minimum of rationality and the desired behavior does not provide the promised positive results but is actually unprofitable, the resultant economic inefficiency of such a community is also accompanied by demoralization. In any case, the economic sphere of human activity is no longer a source of moral growth of society but just the opposite.

2. The structure of the legal norm is as follows: "Act like most of the other members of society and your life, health and property will be secure. Act otherwise and you will be subject to legal repression". If the legal system of a given society is sufficiently cohesive and efficient and the values it protects are universal values, these norms will come to less and less depend on legal sanctions and more on the good of society which they are intended to protect. Just as in the case of economic norms, the limits of the law will then be extended into the realm of morality.

At the same time, the law cannot function in such a morally desirable way if the range of commonly-accepted values that it protects is restricted or the law is ineffective in protecting those values.

3. The structure of the religious norm can be summed as: "Act this way or another and you will gain God's blessing (in this life and after) but if you do otherwise, you will lose that blessing and be punished here and in the afterlife".

If the name of God is used to protect commonly-accepted values and the given society has a living faith in God and in his mercy, religious norms will be effective. And just as in the other two cases described above, if the religious norms do serve to further moral norms, they will work without any reliance on God's blessing or punishment.

At the same time, if the name of God is exploited and abused to further the values of a minority which run counter to commonly-accepted values (history can provide a great many examples such as the Inquisition, the use of religion by the wealthy to suppress the poor and the Teutonic Knights' use of the slogan "Gott mit uns" ["God is with us"] during their conquests of the Middle Ages), religious norms then lose their meaning and become associated with the violence of the rich against the poor, repression and with persecution and have no real moral effects but just the opposite.

4. According to the structure of customs: "Do this or that and you will gain social acceptance and if you do otherwise, people will condemn you and turn against you". The sanction used in this case is public opinion which offers the members of a society either respect, recognition, admiration or contempt, condemnation or ridicule.

In this case as in all the others, the educational value and effectiveness of public opinion depends on which values it accepts and which ones it rejects. If a good worker or student are seen by others as chumps and saps, the

scoundrel, loafer and drunk are regarded as good fellows, and the common creed is 'live and let live", this type of public opinion will then not give rise to moral attitudes but become a source of demoralization.

It is beyond doubt that the sphere of economic action is above all the responsibility of the state and its administrative and political structures. The fundamental meaning of an economic collapse is the breaking of any connection between quality, amount and efficiency of work and material and moral personal satisfaction. The negative moral consequences of this state of affairs are hard to overemphasize. Therefore, the efficiency of economic reform is a prerequisite not only for the material success of the people but also for the moral health of society. The state policy's burden in this regard has been so often and with such force (often excessively and unfairly) accentuated that I will not mention it any further.

However, even if the state bears the greater portion of responsibility, it is not the only responsible party. Let us remember 1981 and the desperate and ineffective appeals to not make economics, the basic substance of the life of the nation, a tool of political struggle. No one wanted to hear these appeals and it was claimed that labor slogans were being used against social renewal. In the 1970's, the destruction of labor relations was the result of a bad economic policy. In 1981, this destruction became a slogan and a program carried out on a broad scale and therefore, the economic difficulties created by the policies of the 1970's were compounded by a state of economic catastrophe. The leading symbol of this demoralization later became the slogan of working at a snail's pace which was used by the people represented by members of society's intellectual and moral elite.

Do institutions outside of the state has some role to play here? It is quite certain that they do even if it is not a principal role. Above all, it is necessary to consider the strongest of these institutions, the Catholic Church. The church's historical record in social education does not even satisfy the Catholics themselves. However, the awareness of unfulfilled tasks can already now be seen as a promising augur of the future.

Let us now devote a few words to the law and its creation and execution. Just as in the case of the economy, this is the domain of the state and its various organs.

The level of society's legal culture is not good and that is the result of many improper actions. The Sejm has lost control over the state's executive organs which have taken over the function of making laws and this has resulted in the restlessness of law, weaker respect for the law by the executive organs themselves and made it easy to sidetrack legal norms and distort them for the needs of the moment. In the last 5 years, an enormous program for improvement in this areas has been carried out but it is hard to overcome the negative effects of old practices and takes a long time. The task is made even harder by the fact that it is being undertaken in an era which is politically very

difficult and in which the state and its institutions are suffering from low prestige.

Here again, we must repeat what we have already said. There is no doubt that the chief cause for the state's weakened social prestige was its errors and the social unrest that they have caused. However, this unrest was directed not so much at improving the system as it was an attack against the socialist state and even an anarchic denial of the state itself as an indispensable form of national sovereignty. Any argument in support of the state was met with derision. It is not possible to quickly recover from periods such as these but it is necessary and this must be accomplished through restoring the good health of the state's practices in creating law, executing law and the health of the judiciary, police and penal systems.

The supreme indicator of the state's functioning should be how well it serves the public but this is not a state of affairs granted by heaven. It requires broad, creative and critical public participation which must nonetheless be based on respect for the state as an indispensable form of national sovereignty. The latter must become the axiom of all of our practical, education and propaganda activity.

A prerequisite to the establishment and growth of society's moral culture is a certain minimum degree (and the more the better) of axiological community and a minimum number of values recognized by all in all areas of social life such as economics, the legal system, propaganda, education, religion and custom. This does not involve liquidating any axiological discrepancies because this is not only impossible but also undesirable. What is needed is for these discrepancies to be held in place by commonly-accepted and realized supreme values. It is this minimum of axiological community that is undermined.

The system of values declared and realized by the economic, government, political, legal, educational and propaganda institutions of the state have in recent years been clearly weakened from within. This occurred not because the supreme values of socialism themselves lost their public credibility but because they were too inefficiently realized or produced negative results. This in turn led to a total political and propaganda attack against the most elementary values of socialism. There was also an intensified philosophical confrontation over the most fundamental goals and values of human activity.

[Editor's note] Zdzislaw Cackowski is a philosophy professor at Maria Curie-Skłodowska University in Lublin. This article is a fragment of the introduction to the protocol of a Council of State session held in April of this year. The complete text has been published by Czytelnik in a book containing materials from that session.

12261
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CHILDREN ID CARDS BLASTED

Warsaw RZECZPOSPOLITA in Polish 5 Sep 86 p 5

[Text] Like the slogan "Bureaucrats! Learn from youth!" says, some of the Warsaw schools such as the one in Ursynowo have recommended at the start of the new school year the issuance of an official form (to be signed by parents) for a pupil ID card.

Instead of having the pupils bring in photographs that bear their names and ages on the other side, the schools will gather forms and signatures. The next thing we know, our little ones will be having to run around getting treasury stamps and certifications stating their place of residence, etc.

The paper that we need so much for texts and notebooks will then be wasted on these forms.

12261

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ROLE OF CENSOR FEATURED IN PRESS 'DEBATE'

Passent Article Considers Change

Warsaw POLITYKA in Polish No 37, 13 Sep 86 p 16

[Article by Daniel Passent: Conscious Necessity"]

[Text] I should write about censors. Why? It is because they have followed my writing for more than 25 years but I feel that one of my professional responsibilities is to describe the world in which I live. To say that they have "followed" my work sounds a little like "comrades of the printer's art". However, no one talks about "comrades of the censor's art" even though to censor well is an art if a thankless one. A surgeon may show a patient his scar and say with pride that the incision is healing beautifully. A censor cannot do that.

Even today, someone may ask from time to time whether POLITYKA is censored. The question itself shows that the writing does look censored. That is a very beneficial political illusion (not to be confused with an optical illusion) because the entire art of censorship lies in leaving no outward signs of itself. Some may feel differently about that and show the scars left by the censor but that has no real meaning because it is what has been said that means most in the final count.

The question of whether POLITYKA is censored (and as far as I know, the entire legal press is censored) dates back to the time when Jan Szydlak decided on the basis of an experiment that three newspapers (TRYBUNA LUDU, ZYCIE GOSPODARCZA and POLITYKA) were to be published without censoring. That experiment did not last any longer than would an experiment to gradually change traffic over to the left side of the street starting first with taxis and ambulances. The experiment assumed that some publications would be given greater freedom and others less. That, however, conflicted with every editor's wish to be no less credible a source of news than any other. If everyone is getting wet, then the weather report stating that it rained today will always be more credible than one just forecasting cloudiness.

Even today, we try to reprint material from other newspapers but the censors try to talk us out of doing that. When someone asks why something appeared in Newspaper X but not in ours, we say that the other the censor let it go or that it was a "mistake that should not be repeated" or even that we already had too much material to publish. It is a fact that even today, there are people who ask whether if some paper or another would not be censored if our press had a proper amount of critical publications. That speaks well of editors and censors as well as their superiors who are also our superiors. For that reason, we should not exaggerate the matter, especially because it is hard to count on mutual regard. The greatest freedom to criticize (not counting criticisms of music festivals and Australian television serials) is found in the area of economics. In our economy, criticism is the most readily-available commodity. Writing that our economy (and our television news) which takes as its point of honor the autumn shipment of beets or the summer shipment of children to camps is not worth a hoot does nothing to give us more warm underwear or stockings and it has already become so commonplace that it is banal. After all, criticism has therefore not harmed our economy and may have helped it.

If some stress the highlights (the so-called hideous positives) while others emphasize the dark places (the "negatives"-- Yuck! what an ugly word), that is because these aspects have a political role to play. Several days ago, following a meeting of the Presidium of Government, the vice-premier when asked what negative phenomena in the economy were discussed, began by reciting the positive ones. It is quite natural that a person responsible to the government for the state of the economy will not begin by discussing failures and just the same, it is also understandable that a journalist is more than anything interested by those failures. As they say, your point of view is determined by where you sit.

Our responsibility for what we print varies in relation to the subject (in the case of our alliances, defenses and the personnel policy at higher levels of government, we must really watch ourselves while in other areas, we have much more freedom), the paper itself (the less its impact or the more educated its readers, the the greater its freedom) and to the moment in time ("not now" and "in a week"). At the present time, we have a relatively large amount of freedom and may this phase continue and consolidate itself. With regard to that, we have reasons to be optimistic as attested by changes in the Soviet and even the Chinese press. In some areas, we are even seeing quite violent discussions. For example, over the last few years, the departments and organs responsible for fighting crime have carried out a campaign to intensify penal repression and the press feels that this has gone too far. Our press and that of other countries has become strongly involved in this issue. It is worth remembering the article by Doctor Makarczyk in ZYCIE WARSZAWY against the compulsion to work in the Polish People's Republic in which he states that this is not only a violation of international agreements but also runs against our fundamental principle that work is the highest good, responsibility and honor. However, it is hard to feel honor in one's work under the eyes of a sergeant.

As a result, the Polish press after martial law is now, in spite of all censorship, more varied and has greater credibility than at any other time in the past decades with the exception of the few months in which it, like all other areas of our lives, slipped out from under the government's control. Objective observers from the western press have been brave enough to admit that. On 28 August, I joined a group of Polish and West German journalists for the televised discussion "6 Years After August -- Normalization or a Continuing Crisis?" which was organized by the SFB-ARD television station in West Berlin. Present was a group representing the latest wave of Polish emigres (according to the German press!) which had been invited by the discussion's organizers and when they began to speak exclusively about the cruelty and incompetence of the Polish government, Doctor Peter Bender, one of Bonn's the most moderate experts on Polish affairs and eastern politics, spoke out. He said that we have in Poland elements of normalization that are real and genuine according to European criteria (and he mentioned the press as one proof) as well as signs of a lasting crisis in certain areas of the economy and in the relationship between the public and the government. A few days earlier, there appeared in the NEW YORK TIMES and then the INTERNATIONAL HERALD TRIBUNE (on 21 August) an article that differed widely from the stereotype of Poland as nothing more than a prison. From this we see that a moderate policy rather than insults and screaming has begun to bear fruit.

Of course, a journalist cannot be enthusiastic about censorship and many of us their own humorous anecdotes to tell about it. I seem to have had my worst problems with the book "God Came to Munich" despite the fact that it was about the Olympic Games there (the book came out in 1973). The manuscript came back with 44 changes. I remember that I took it to the department director where I intended to argue over each of the changes and deletions in turn. After two unsuccessful attempts to defend some phrase or idea, I went on to the next example. This involved a woman's volleyball match between teams from the two German states. The following sentence had been crossed out: "Our German girls beat theirs". I asked why. The director told me that there are neither our German girls nor their German girls but rather the team from the German Democratic Republic and that of the German Federal Republic. Since I do not know any kibitzer or reporter who would use such stiff and formal terms. I realized that I was talking to a wall and a concrete one at that so I took my manuscript and did nothing about the remaining 41 changes but just washed my hands of the whole mess. The book also lost the note of satisfaction that "our German girls" had won because in this case, the baby had been thrown out with the bathwater.

However, the censor as the personification of the restriction of our freedom which is, as we know, a conscious necessity, is still worth a closer look. it is not hard to imagine that censorship could disappear while the government that carries out that policy survives. After all, someone has to implement that policy and the overthrow of a law would not at all mean that we would automatically have a kingdom of complete freedom which is something that does not exist. We can only work our way closer to the state of freedom that we desire. The press can even be controlled without censorship. Of the two

circumstances, many journalists and editors prefer censorship because it releases them from any responsibility and simplifies things. For example, I cannot imagine that a censor himself would release (or as they say, free) a text calling for the publication of Orwell's "1984" or allow a report on the Kielce pogrom to be printed when just a few years ago he was crossing out any reference to the two. Life sometimes anticipates the wildest expectations. Only a few weeks ago, I mentioned Henry Miller and said that his prose would only appear in Poland after another 100 years. At about the same time, I read in LITERATURA NA SWIECIE that his works would soon be published in Poland. Since this was announced, it meant that Miller had been "released". Furthermore, that entire issue of LITERATURA NA SWIECIE was dedicated to Orwell and this seems to be the best proof that we now have fewer taboos and that the limits to freedom are more elastic.

The limits to freedom depend largely on who wants freedom. Some may want more while others desire less. From my own observations, I can say that the most freedom is given to the writer who support the official point of view but at the same time wish to see the system improved. Their utterances are given in the correct context. Thus, for example, there is nothing strange in the fact that Mikolaj Kozakiewicz who once wrote constantly for TRYBUNA LUDU and is now a PRON activist has been allowed to write very critically about this movement.

A censor is also a person. Just like miners or journalists, he suffers from his own ailments and professional diseases. The censor's ailment is that whenever he is in doubt and cannot find advice, he finds it safer to withhold something than have it printed. He can lose more from being inattentive than from overzealous. A censor is much like a sapper in that he does not think twice.

A censor has a sixth sense which allows him to pick up anything that may slip past even an experienced editor and for that reason, many an editor will admit to himself that he has been saved from an indiscretion more than once by a censor. Many censors interfere through inserting notes or suggestions rather than by confiscating passages. I must say that sometimes I find these remarks to be justified while at other times, I may think it is not worth tearing up the copy. At still other times, I may print an article on my own responsibility.

For my own uses, I make a distinction between several types of censors. One is just a regular guy who acts like just another member of the editorial board. He is able to understand the intentions of the editor or author and may share the same feelings but has been put where he is to prevent certain facts or ideas from being printed. He will say that there is no way he can allow something to be printed and that we must try to reword this and drop that. He may even propose another wording that cannot hurt someone's "religious feelings".

Another type is the cold and intellectual specialist, the censor who has strong convictions about his vocation. This type will not tolerate long

arguments. He cuts away like a surgeon whenever he feels that this is best for the patient and for himself because the interest of the individual should be the same as the public interest as this produces the greatest harmony. The third type is the zealot who not only cuts away at the text but also expresses his outrage. He will say: "How could you even consider printing something like this?". Even if the editor refers the matter to a superior who orders that the offending text be printed, this type of censor will call him up and tell him he is making a mistake. I must admit that this type of censor is not especially popular among journalists.

However, the editor is not the one who usually contradicts the censor because both are carrying out the same policy. Even the Holy Mass broadcast each Sunday morning over the radio is not subversive. Wherever the partners are serious and know the rules of the game, there cannot be any serious contradictions. There is a bit of the censor in all of us who speaks publicly with a sense of responsibility. As for myself, I feel I would be a worse censor than journalist because I indulge myself more than I do others. I tend to feel that whatever I get away with can hurt others. Colleagues therefore refer their problems to the senior editor if he can handle them. Over the years I have gained experience and from time to time a foreign publisher has ordered an article from me. At first I always felt somewhat uneasy about sending material out on my own responsibility without having it censored. There is no doubt that censorship, like any wall, can be leaned on and that without it, you have to keep your own balance.

Censor Press Spokesman Responds

Warsaw POLITYKA in Polish No 38, 20 Sep 86 p 8

[Article by Justyn Sobol, press spokesman for the Chief Office for Control of Public Performances and Publications: "A Censor Talks About Himself: 'Conscious Necessity'"]

[Text] It is hard to believe but Daniel Passent's article in last week's POLITYKA is the first attempt in recent years by a journalist to look at the functioning of censorship in Poland. Despite this editorial's natural limitations, the author has managed to address the most important problems, some of them very keenly and most of them very accurately. Since the subject is one about which little is known and which most certainly arouses much public interest, I felt the need to explain several points and share some basic information.

Indeed, journalists and, more broadly, people who publish writings have for decades now existed in a certain state of symbiosis with censorship. Censorship cannot survive without their works while the writers and publishers themselves somehow need the censors too as perhaps more than just a "wall against which they can lean".

D. Passent correctly writes that we have the same superior, that is, we are realizing the same policy. However, aside from that, it is expressed for us both in the form of law. Article 1 of the 31 July 1981 law on the control of public performances and publications places the responsibility "to protect and realize freedom of speech and press in publications and public performances" on state organs and institutions (and therefore on censors, editors and publishers) while article 2 lists the rights to be protected. The wording here is "in exercising freedom of word and press in publications and public performances, one cannot...". This means that the regulation places certain restraints on "those exercising freedom of speech and press..." and therefore authors, editors, publishers and the organizers of public performances. The responsibilities of the censor are given by other regulations under this law and amount to the seeing that the freedom of speech and press is exercised in accordance with the requirements of article 2.

There is therefore a third level of this symbiosis and that is the responsibility both to protect and guarantee freedom of speech and to exercise this freedom without violating the basic rights and values of the nation and state.

The activity of the Bureau also consists of control starting with a two-instance procedure (a censor's decision can be appealed to the Chief Bureau) through court control of a decision of the second instance (which is handled by the Supreme Administrative Court if an editor submits a complaint), openness of decisions (the right of authors and editors to indicate what points in a text have been changed or deleted by the censor) and supervision of censorship by the Sejm and Council of State which directly evaluate the activities of the censorship organs. The work of censors is also evaluated and supervised by the Collegium, two-third of whose members are representatives of political and social organizations and creative associations (such as the Polish Journalist's Association, the Polish Writer's Union and the Polish Book Publisher's Association).

In view of the situation very briefly described above, we must take a different look at the issue raised by D. Passent concerning the relationship between a journalist's freedom and the subject of publication. I would like to clearly state that aside from the precisely-stated sphere of restrictions given in article 2, there are no other limitations and cannot be. The freedom to freely write about various subjects that are not connected with this "catalog" of values given in article 2 is identical in all cases because it is in all cases equally restricted if the publication goes into any area protected by any point in article 2.

The author is obviously right in pointing out the changing nature of evaluations or the restricted range of censorship and greater freedom of speech. In spite of all appearances, there is no conflict with the principle of the unity and permanence of law. It is not the "whim" of the censor that has changed but the world and the rules of political life and that has therefore made it necessary to change the way in which the law is executed.

For example, greater stabilization of Polish political and social life has reduced the danger to the values listed in article 2. That in turn makes it necessary to reconsider whether a given publication or opinion poses any threat to one of these values. From that point of view, the appearance and range of the publication is also important and the author gives examples.

For a long time now, the opinion that public affairs can best be decided by a public discussion of ideas has been most clearly reflected in everyday journalistic practice. This places high demands for courage and responsibility on the participants. As realized in practice, it can sometimes give an impression that the criteria for censorship are incoherent or unstable. This is a "political illusion". The criteria remain the same. It is only that the perspective is deeper and has begun to consider more numerous contexts. What matters most is the final political result and whether or not it serves the interests of the state and public.

Legal rights and restrictions are identical for all and censorship is not subjective. D. Passent's opinion that greater freedom is given to those that "speak from our point of view" is correct but it must be added that it is the political correctness of the context and final sense of a statement rather than who utters it that is most important. Aside from state secrets, the restrictions of article 2 enforced by the Bureau do not affect information about facts but the items specified under this regulation and at the same time, regardless of who publicly presents these assessments.

As an experienced writer, the author is gifted with a sense of observation and has very perceptively given the essence of the relationship between editors and the Bureau, especially where he mentions that censors provide suggestions and remarks rather instead of outright confiscating texts. Suggestions are very willingly used by censors above all because they allow a more multilateral and competent exchange of views and more partnerly cooperation. After all, the position taken by both editors and censors with regard to the bans set forth in article 2 are quite similar. This regulation places certain responsibilities on people exercising the freedom of speech and the Bureau only checks to see whether those responsibilities were fulfilled. I therefore wish to state my own conviction that a censor has no monopoly on the application of article and for that reason, discussion is very necessary. Discussion demands that censors remain intellectually keen and knowledgeable, that they broaden their horizons and be able to evaluate a problem from different points of view. However, issues cannot be argued with those who do not wish to discuss them. I am thinking of a few of the editorial boards that, as D. Passent said, "Exhibit the scars left by censorship". They prefer administrative confiscation.

The problem we have just discussed is closely connected with how journalists perceive a censor. Out of all the different types of censors described by the author, the one best suited for realizing the Bureau's approach to censorship is the first type, the "regular guy" with perhaps a little of the "cold, intellectual specialist" thrown in for good measure. Let us not forget

however that the censor is a government employee and is subject to all of the political responsibilities that this entails.

What is said above may sound too general but D. Passent too limited himself to fairly abstract categorization of types. Since I have heard (and believed) that immodesty is a sin, I too will leave the abstractions as they are.

I would like to explain two points in a somewhat polemic manner. The first point concerns the experiment to allow TRYBUNA LUDU, ZYCIE GOSPODARCZE and POLITYKA without censorship. According to D. Passent, this experiment did not last long because it gave these selected newspapers better opportunities for credible journalism. As well as I remember, it was originally proposed that many more newspapers be given the right to print without censorship. This principle did not mean that all control over the publications would be dropped because the restrictions on state secrets were still applied. The editors were to assume greater personal responsibility for materials about political issues while the Bureau had the right to submit its own suggestions. In case of any persistent disagreements, the whole matter could be appealed to higher authorities.

We have now achieved something of this sort in the partnerly relations that have been developed under a) the conditions of the law on public performances and publications and b) in an incomparably greater and broader scale. After all, under the provisions of article 4, we now have totally uncensored publications (there are 22 such categories including all textbooks, scientific publications, religious publications and others).

My second explanation is necessitated by the supposition that "for the censor, it is safer to withhold something than release it". I must point out that for a censor, the general rule is to not interfere with a publication: confiscation is actually a rare occurrence. Out of every 3000 published titles, censors interfere in only 7 percent of cases. The majority of the interferences occur in only 20 out of the 3000 titles while the remainder may be subject to one or two such interventions in the course of a year. With regard to books, then only 0.7 percent of these titles are ever subject to interference (and there have been no total confiscations for years). Radio, television, theater and film are areas that rarely or almost never require the interference of censors. Therefore, interference is a rare event in the life of a censor and he himself is always aware of how the public, not to mention his own superiors, will react to censorship, especially whenever it is unjustified.

12261
CSO: 2600/92

SPARRING BETWEEN 'DISSIDENT' AUTHORS OBSERVED

Warsaw TRYBUNA LUDU in Polish 13-14 Sep 86 p 4

[Article by Michal Misiorny: "Backalleys of Literature"]

[Text] The personal quarrels between writers are something that are awaited by every reader vitally interested in literary life. If these quarrels go beyond just literature and extend into the realm of decorum and politics, the interest can reach the boiling point. In our recent literary history, we have had several such incidents and they were always passionate and instructive. The classic example was Kazimierz Brandys who sternly called out Czeslaw Milosz for his desertion from the diplomatic corps. In the prose works of Andrzejewski and the memoirs of Putrament, anyone who likes them can find malicious portraits, criticism and personal quarrels which are sometimes quite important in significance and at other times trivial. There are tens and even hundreds of such examples. I knew a writer who was struggling for the attentions of a certain beautiful female writer and when he failed to receive them (because he did not have the least chance), he "settled" with her in his next story but there are still many more such examples.

The most recent example of a writer's quarrel appeared in the Parisian KULTURA (No 6) in which Marek Nowakowski has settled a score with his former friend Andrzej Brycht. This is tasteful and instructive reading! The writer is a Pole but he is one of these who are so unreconciled to our system that he is living in the West. In the opinion of Marek Nowakowski, he is indeed unreconciled but only to life here in the East. He writes (between the lines) that if you are in the West and do not like it, then just keep quiet about it. Nowakowski even defames Andrzej Brycht. "I read 'Changing Focal Length' with mixed feelings of disapproval, light revulsion and occasional amusement but I could only rarely find any passage of literary value...", writes Nowakowski about the story by his former friend who has now become for him a loathsome type (and I quote) with a "shoddy soul".

What is the issue here? It is the publication in the January issue of TWORCZOSC of Brycht's very good story "Changing Focal Length" written in the West several years ago. Anyone who wants to may read it. The author has now

printed it in Poland most probably as a signal whose sense or inner meaning I have still not deciphered although it is possible that he may be indicating a desire to return to Poland. This is how Nowakowski interpreted the publication of this story and he naturally disapproves. He distastefully writes about a letter to the editor of TWORCZOSC in which Brycht "complained about his fate as a writer in the West". His various statements all indicate that he is disappointed and he takes the publishers of TWORCZOSC to task for their commercialization and trendiness. Nowakowski goes on to ask if he will return only as a writer or in his physical person as well. "Will he continue his greedy pursuit of fame and money at any price? He failed over there and is now seeking his fortune over here. He is counting on receiving the Great Remuneration of the East".

I read this with the same slight feeling of disgust that Nowakowski felt while reading "Changing Focal Length". I feel that I too can use that expression because as I am not attacking Brycht's work, I feel no need to agitate. If Brycht wishes to come to Poland, let him come. What I am concerned about is the eruption of Nowakowski's feelings about his former friend and it interests me only as still another example of a writer's quarrel which in this case is a quarrel of distinctly political overtones. It is also a psychological quarrel because Brycht complains about the West and this constitutes an attack against the sort of inferiority complex toward the West that Nowakowski suffers.

Allow me still a few words about the "Great Remuneration of the West". That is a code. Brycht's story is a portrait of a writer from Poland who has spent his entire life dreaming about the "Great Remuneration of the West" or the Nobel prize. We have known several such writers who were struck ill by Czeslaw Milosz's receiving of the Nobel Prize in 1981. To console them and their friends, I would like to say that the French too were aghast. In their opinion, the prize should have been awarded to Oskar Milosz and the Parisian journal also complained. But that is something I will let stand without comment. To put it briefly, you do not have that like [illegible word] the backalleys of literary life.

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BRIEFS

LITERARY POLITICAL DIVISIONS DECRIED--Here are the summer reflections of Jan Pieszczachowicz (TYGODNIK KULTURALNY) whom I often quote with great satisfaction in this column: "How long can there still persist the division of the literary community against its own interests and those of the state and of our national culture? Do certain and often famous writers understand that by depriving readers of their work, they may be punishing society and not the government? And on the other hand, will decision-makers want to consider the fact that the cultural and literary press (for example) should be as differentiated as possible, that every writer should have his own place and that the press should be edited by competent persons with credibility in and beyond the literary community? In literature, it is not possible to replace people automatically because it is not a factory but a collection of individuals and if this fact is ignored, there will not be genuine and complete normalization of our literary life". [Text] [Poznan WPROST in Polish No 32, 10 Aug 86 p 3] 12261

ROCK GROUPS DEFENDED--Young people want to be noticed and to shock at any cost even if this "shock" is not always accompanied by talent. Here are the names of some of the rock groups that were planning to appear in Jarocin: Father's Razor (Gliwice), Cemetery Elite (Poznan), Dirty Fork (Gorzow Wielkopolski), Scream of the Dying (Nysa), Bitch (Poznan), Katyusha's Ears (Lomianki), Ass (Szczecin) and Sudden Epileptic Fit (Siedlce). Let us admit that this is not a bad set of names even if we could still add to it a long list of crude jokes. Some columnists are outraged but why? Have they forgotten that they too were young once and tried to shock their elders and challenge "orderly" citizens by dressing up in thick chequered coats, tight pants and colorful striped socks? [Text] [Poznan WPROST in Polish No 32, 10 Aug 86 p 3] 12261

SOVIET WRITERS VISIT--The Opole region was visited by a delegation of the Moscow Organization of the USSR Writer's Union invited to Poland by the Chief Directorate of the Polish Writer's Union. The delegation included Leonid Mezhinov, Ludmila V. Shykin-Mikhalkova and Vladimir I. Krasilshchikov. [Text] [Warsaw TRYBUNA LUDU in Polish 13-14 Sep 86 p 2] 12261

SILESIAN UNIONISTS MEET--On 12 September, there was held in Wroclaw a zone conference of trade union activists from four provinces of Lower Silesia including Jelenia Gora, Legnica, Walbrzych and Wroclaw. The conference was dedicated to trade union participation in job certification and review. [Text] [Warsaw TRYBUNA LUDU in Polish 13-14 Sep 86 p 2] 12261

CONSTITUTIONAL TRIBUNAL WORK PROCEEDS--On 3 September, Marshal of Sejm Roman Malinowski met with Alfons Klafkowski, chairman of the Constitutional Tribunal, who informed him about the current work of the tribunal. He stressed the great importance that the tribunal has in constitutional authority, rule by law and respect for the Polish Constitution. Pointing out that the work of the Constitutional Tribunal usually receives unusually good public support, he also pointed out the need to improve the quality of the legislative process. [Text] [Warsaw TRYBUNA LUDU in Polish 4 Sep 86 p 2] 12261

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